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PROPOSED ARMS SALES TO SAUDI ARABIA

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ORIGINAL

HEARING AND MARKUP

BEFORE THE

COMMITTEE ON FOREIGN AFFAIRS

AND ITS

SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST

HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

ON

H.J. Res. 589

APRIL 22, 23, 1986

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PROPOSED ARMS SALES TO SAUDI ARABIA

TUESDAY, APRIL 22, 1986

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST,
Washington, DC.

The subcommittee met in open markup session at 2:07 p.m., in room 2172, Rayburn House Office Building, Hon. Lee H. Hamilton (chairman of the Subcommittee on Europe and the Middle East) presiding.

Mr. HAMILTON. The subcommittee will come to order.

The Subcommittee on Europe and the Middle East meets in open session today to consider the proposed arms sales to Saudi Arabia which were presented to the Congress on April 8, 1986.

This hearing follows a series of briefings that the subcommittee has had since the Middle East Arms Transfer Study was completed July 1985. This proposed sale to Saudi Arabia of Sidewinder, Stinger, and Harpoon missiles costing $354 million is the first major sale of arms to Saudi Arabia since the Arms Transfer Study was completed.

We are happy to have with us today Hon. Mel Levine, a member of this Subcommittee, a Representative in Congress from the State of California, who will testify on behalf of his Resolution of Disapproval, House Joint Resolution 589.

He will be followed by Hon. Richard W. Murphy, Assistant Secretary of State for Near Eastern and South Asian Affairs; and Robert H. Pelletreau, Deputy Assistant Secretary of Defense for Near Eastern and South Asian Affairs.

The Chair would ask that our witnesses summarize their statements for us, so that we can proceed to questions quickly.

Mr. Levine, we are delighted to have you here. We commend you for your work on this subcommittee. You usually are on this side of the table, but we are glad to have you testify in support of House Joint Resolution 589, and you may proceed.

STATEMENT OF HON. MEL LEVINE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. LEVINE. Mr. Chairman, thank you very much. Being on this side of the table gives one a greater sympathy for the people who are on this side of the table, and a greater understanding of the difference in perspective from which we look at each other. So, I am pleased to have that experience.

Mr. HAMILTON. If I may interrupt you, Mr. Levine, I have to go testify myself before a subcommittee, and I will be gone for a few

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minutes. I apologize to you for that, but I do have your statement, and I will look at it carefully.

I will ask Mr. Lantos if he will take the Chair for a few minutes. Please excuse me.

Mr. LEVINE. Thank you, Mr. Chairman.

As you are leaving, let me thank you for holding this hearing, and let me thank you and your staff for helping so much in expediting this process, which we appreciate very much in light of the time constraints that we are under with regard to this resolution.

Mr. Chairman, as you know, I am the primary sponsor—and I appreciate the cosponsorship of those of you who are within my line of sight at this time—of a resolution to disapprove the proposed sale of arms to Saudi Arabia. I am especially appreciative of having the opportunity to present my views before this subcommittee, on which I am pleased to serve.

Mr. Chairman, the resolution which we have introduced, House Joint Resolution 589, now has 221 cosponsors. These cosponsors are a bipartisan group of Members from across the political spectrum who share a deep concern about U.S. arms sales policy in the Middle East and for American national interests.

Simply stated, we oppose this sale of more than 2,500 new missiles to Saudi Arabia because of the antipathy Saudi Arabia has shown for fundamental American national security interests in the Middle East. We do not believe this sale would further American interests in the region.

The United States has several vital national security interests in the Middle East, in addition to ensuring access to oil. These interests include broadening the Camp David peace process, combating terrorism while denying terrorists any base of support, and helping our allies Egypt and Israel to maintain their military and economic security.

Saudi Arabia has not only failed to support the United States in each of these crucial areas but has actively opposed us.

Examples of this abound. For instance, the Saudis continue to isolate Egypt for its willingness to pursue peace with Israel, and to this date have not reestablished diplomatic relations with Egypt.

The Saudis have bankrolled the Palestine Liberation Organization and Syria, the protectors of terrorists implicated in the murder of hundreds of Americans, including the bombing of the Marine barracks in Beirut.

On April 7 of this year, the Washington Post reported that CIA Director William Casey said in a speech that Saudi Arabia has paid lipservice to U.S. concerns about its funding of the PLO and that Saudi leaders support the PLO and other terrorist-linked groups.

According to the State Department, the Saudis give some $90 million a year to the PLO.

Under Saudi leadership, pan-Arab organizations have stepped up efforts to punish American businesses trading with Israel, imposing increasing requirements for United States aid to Israel because of boycott efforts to strangle Israel economically.

Finally, the Saudis sided with Mu'ammar Qadhafi in our recent showdowns with the Libyan dictator and reportedly pledged to make good on any losses incurred from the American boycott of Libya.

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The arguments the administration makes to defend its proposal to sell these missiles to Saudi Arabia are: One, the sale would be a reaffirmation of United States policy for and friendship with Saudi Arabia; two, the missiles are needed to defend against the threat Iran is posing by ground advances into Iraq; and, three, the Saudis need the missiles to maintain their defense capabilities.

Frankly, Mr. Chairman, none of these arguments are particularly compelling.

First, nearly every transaction between Saudi Arabia and America has been touted as a so-called test of friendship. What have we received in return? At what point can we expect that in return for our responsiveness to Saudi security interests, that they respond to our interests?

Second, these missiles, which are not scheduled for initial delivery until 1989, will not help Saudi Arabia counter the Iranian threat, if there is such a threat. The war between Iran and Iraq is being waged on the ground between ground troops, and antiaircraft missiles would be of no use in countering that particular threat.

Finally, the Saudis already have a full arsenal of missiles, raising significant questions about the credibility of the administration's argument that the Saudis need the missiles to maintain their own defense capabilities. Their capabilities are already great.

For nearly two decades the United States has been almost reflexively granting Saudi arms requests. But our policy has neither yielded Saudi support for key United States initiatives, nor resulted in Saudi cooperation in advancing key United States security interests in the Middle East.

In fact, selling arms seems to be our only policy with respect to Saudi Arabia, irrespective of its sensitivity to our interests in the region.

There are no compelling reasons to continue this policy. If the Saudis want our cooperation, then let them give us theirs. This pending missile sale, which meets no legitimate Saudi need, is an appropriate place to halt our unproductive policy.

I would like at this point to address my special concern about the inclusion of Stinger missiles in this package. On April 8, the Washington Post ran a story about administration concern over the possible diversion to a terrorist group of Stingers sent to Afghanistan.

Two years ago the administration was considering sending hundreds of Stingers to Jordan and Saudi Arabia. The administration was forced to drop these plans because of congressional concern over whether they might fall into the hands of terrorist organizations or might be used against Israel.

Eventually, 400 Stingers were sent to Saudi Arabia, but only after a firm assurance from the Saudis that strict security would be maintained and that United States military personnel would accompany the missiles to train the Saudis and to provide an additional layer of security.

The Stinger, Mr. Chairman, is sophisticated, effective, and portable. It has been called the ideal terrorist weapon, and the terrorist's delight, and it is.

While I oppose the sale of the administration's missile package to Saudi Arabia, I especially object to the inclusion of the Stingers. Terrorism is on the increase, and desperate terrorists will stop at

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nothing to obtain every possible means to help carry out their brutality and barbaric undertakings. We should keep these weapons under U.S. lock and key, and we should not send them to a part of the world where terrorism is the game of the day.

Again, Mr. Chairman, thank you for holding this hearing, and for giving me the opportunity to express my views on an issue that deeply concerns all of us and that has occupied so much of the time and the attention of this subcommittee.

Mr. LANTOS [presiding]. Thank you very much, Mr. Levine.

[Mr. Levine's prepared statement follows:]

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PREPARED STATEMENT OF HON. MEL LEVINE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman, thank you for holding this hearing and for giving me the opportunity to testify on the Administration's proposal to sell to Saudi Arabia Stinger, Sidewinder and Harpoon missiles. As you know, I am the primary sponsor of a resolution to disapprove this sale, so I am especially appreciative of having the opportunity to present my views.

Mr. Chairman, the resolution I introduced, House Joint Resolution 589, has 221 cosponsors. These cosponsors are a bipartisan group of Members from across the political spectrum who share a deep concern over US arms sales policy in the Middle East, and for our own national interests. Simply stated, we oppose this sale of more than 2500 missiles to Saudi Arabia because of the antipathy Saudi Arabia has shown for fundamental US national security interests in the Middle East. We do not believe this sale would further our own interests in the region.

The United States has several vital national security interests in the Middle East, in addition to ensuring access to oil. These interests include broadening the Camp David peace process, combating terrorism while denying terrorists any base of support, and helping our allies Egypt and Israel to maintain their military and economic security.

Saudi Arabia has not only failed to support the United States in each of these three crucial areas, but has actively opposed us.

Examples of this abound. For instance, the Saudis continue to isolate Egypt for its willingness to pursue peace with Israel. They have bankrolled the Palestine Liberation Organization and Syria - the protectors of terrorists implicated in the murder of hundreds of Americans, including the bombing of the Marine barracks in Beirut. On April 7th The Washington Post reported that CIA Director William Casey said in a speech that Saudi Arabia has paid "lip service" to US concerns about its funding of the PLO, and that Saudi leaders support the PLO and other terrorist-linked groups. According to the State Department, the Saudis give some $90 million a year to the PLO.

Under Saudi leadership, pan-Arab organizations have stepped up efforts to punish American businesses trading with Israel, imposing increasing requirements for US aid to Israel because of boycott efforts to strangle Israel economically. Finally, the Saudis sided with Muammar Qaddafi in our recent showdowns with the Libyan dictator and reportedly pledged to make good on any losses incurred from the American boycott of Libya.

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The arguments the Administration makes to defend its proposal to sell these missiles to Saudi Arabia are (1) the sale would be a reaffirmation of US support for and friendship with Saudi Arabia, (2) the missiles are needed to defend against the threat Iran is posing by ground advances into Iraq, and (3) the Saudis need the missiles to maintain their defense capabilities.

None of these arguments is particularly compelling.

First, nearly every transaction between Saudi Arabia and this country has been touted as a so-called "test of friendship." What have we received in return? At what point can we expect that in return for our responsiveness to Saudi security interests, that they respond to ours?

Second, these missiles, which are not scheduled for initial delivery until 1989, will not help Saudi Arabia counter the Iranian threat. The war between Iran and Iraq is being waged on the ground between ground troops, and antiaircraft missiles would be of no use in countering that particular threat.

Lastly, the Saudis already have a full arsenal of missiles, raising significant questions about the credibility of the Administration's argument that the Saudis need the missiles to maintain their defense capabilities. Their capabilities are already great.

For nearly two decades the United States has been almost reflexively granting Saudi arms requests. But our policy has neither yielded Saudi support for key US initiatives, nor resulted in Saudi cooperation in advancing US security interests in the Middle East. In fact, selling arms seems to be our only policy with respect to Saudi Arabia - irrespective of its sensitivity to our own interests in the region. There are no compelling reasons to continue this policy. If the Saudis want our cooperation, then let them give us theirs. This pending missile sale, which meets no legitimate Saudi need, is an appropriate place to halt our unproductive policy.

I would like at this point to address my special concern about the inclusion of Stinger missiles in this package. On April 8th The Washington Post ran a story about Administration concern over the possible diversion to a terrorist group of Stingers sent to Afghanistan.

Two years ago the Administration was considering sending hundreds of Stingers to Jordan and Saudi Arabia. The Administration was forced to drop these plans because of Congressional concern over whether they might fall into the hands of terrorist organizations or might be used against Israel. Eventually 400 Stingers were sent to Saudi Arabia, but only after a firm assurance from the Saudis that strict security would be maintained and that US military personnel would accompany the missiles to train the Saudis and to provide an additional layer of security.

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The Stinger is sophisticated, effective and portable. It has been called the "ideal terrorist weapon," and "the terrorist's delight," and it is. While I oppose the sale of the Administration's missile package to Saudi Arabia, I especially object to the inclusion of the Stingers. Terrorism is on the increase, and desperate terrorists will stop at nothing to obtain every possible means to help carry out their brutality and barbaric undertakings. We should keep these weapons under US lock and key, and not send them to a part of the world where terrorism is the game of the day.

Again, Mr. Chairman, thank you for holding this hearing and for giving me the opportunity to express my views on an issue that deeply concerns me.

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Mr. LANTOS. Mr. Gilman

WILL THE SALE CREATE A MILITARY IMBALANCE IN THE REGION

Mr. GILMAN. Thank you, Mr. Chairman.

I want to commend the gentleman for coming before our committee and for expressing his resolve with regard to this issue.

Is there any portion of this sale that will place an imbalance in the military equation in the very sensitive area of the middle east? Do you feel that any portion of this sale creates an imbalance?

Mr. LEVINE. Well, Mr. Gilman, I believe that there is simply no need for an additional 2,500 missiles being sent to Saudi Arabia at this time. You are obviously dealing in this sale, as we are, in general, with very tricky and sensitive questions, and that is to the extent that we continue to supply one end of the military balance, or one end of the equation, it imposes upon the other end of the equation the requirement of coming back to the United States for additional weapons, additional missiles in order to keep the balance, and in order to maintain the qualitative edge.

At some point in time continuing to fuel this never-ending spiraling race with regard to very sophisticated weapons should be reversed, should be halted, should be abated. And while I believe that this sale, in and of itself, is not likely to tip the overall balance, I do believe that the component parts of the sale, especially the Stingers, add significantly to the danger in the region and continue to fuel the necessity of providing additional weapons to all parties in the region, thus perpetuating the process that has been pursued, unfortunately, for so many years.

DOES THE SALE ENABLE SAUDI ARABIA TO MEET FUTURE THREATS

Mr. GILMAN. How do you respond to the argument that this sale would enable the Saudis to meet threats that their country might possibly face in the future?

Mr. LEVINE. Well, I think that is one of the arguments that we have heard most forcefully expressed by the administration, Mr. Gilman, and, frankly, I just do not believe it holds water in the context of the threats, on the one hand, and the missiles that we are proposing to send on the other hand.

The threats that we are talking about, that the administration is talking about, are essentially threats from Iran; and, to the extent that there may be threats from Iran, I would think that the principal areas in which those threats are likely to occur are: One, the threat of internal subversion; and, two, a ground threat from Iran.

These missiles simply do not respond to either of those two threats. These missiles are simply superfluous in that regard. We are talking about missiles that are designed to respond to a different type of threat. The Iranian Air Force, I think, can be very well deterred by the missiles that the Saudis currently possess, and these missiles are certainly not going to do anything with regard to internal subversion.

If there is a symbolic importance to these missiles, and I am told that there may be, then we ought to craft a military sales policy that is both symbolic and substantive and not be placing the types of missiles, such as the Stingers, that can wreak the type of terror-

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ist havoc that these missiles can into such a volatile part of the world.

We should be fashioning a package which is more responsive to whatever threat may exist rather than one which bears no relationship to whatever threat may exist.

IMPACT OF SALE ON U.S. POLICY IN THE MIDDLE EAST

Mr. GILMAN. And how do you respond that the argument that this might impact upon our balanced policy in the Middle East, in which we attempt to maintain a balanced position, friendly to moderates on both sides of the equation?

Mr. LEVINE. Well, again, Mr. Gilman, I simply believe that argument is a red herring as well. The thrust of my testimony goes specifically to that question, which is: At what point in time will our relationships with Saudi Arabia, particularly in this area, become meaningfully bilateral, become meaningfully responsive one side to the other?

The Saudis have been consistently resistant to the most vital and basic American interests in the region. I believe that we have serious interests with the Saudis. I think we have serious interests with friendly Arab governments in the region. We want to pursue those interests. We want to maintain those relationships. But, simply because one side devises as a test of friendship a particular weapons sale, particularly after we have sold $44 billion worth of weapons to that government over the past 15 years and received very little in terms of meaningful responsiveness as a result, at some point I think that our policy ought to be one that seeks something in return and that seriously reviews what the Saudis have done for us as much as what we are doing for them without by any means wishing to understate the importance of the relationship or understate the importance of maintaining a relationship with the Saudis.

I wish to maintain that relationship. I think we all wish to maintain that relationship. That relationship does not need to be maintained by injecting the type of weapons that are likely to do the type of damage, particularly that the Stingers can do at this point in time and in light of the Saudis lack of responsiveness to our interests in the region.

Mr. GILMAN. I thank the gentleman. Thank you, Mr. Chairman.

Mr. LANTOS. Mr. Smith.

Mr. SMITH of New Jersey. I will be very brief because I understand we have a vote on.

Mr. LANTOS. Sorry.

Mr. SMITH of New Jersey. OK. I may be even briefer than I thought.

Mr. LANTOS. The democratic Mr. Smith.

SAUDI MISSILE TO PLANE RATIO

Mr. SMITH of Florida. Come on this side. You can be longer.

Mr. Levine, I appreciate your presentation.

Am I correct that the ratio of missiles to planes in the Saudi Air Force is greater than that of the American Air Force?

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Mr. LEVINE. That is my understanding, Mr. Smith. There is occasional dispute as to that figure, but—and you should direct that question to the Pentagon—but that is one of the assertions that I have heard.

Mr. SMITH of Florida. And you talked about the threat to Saudi Arabia from external sources and possibly internal subversion. The threat is basically from Iran and would be since they lack totally an Air Force; they have no Navy. Apparently, the only threat would be a military army marching on them, correct?

Mr. LEVINE. That is correct.

Mr. SMITH of Florida. Of all the missiles which are being sent, are any of them antipersonnel?

Mr. LEVINE. No, they are not.

Mr. SMITH of Florida. Harpoons are usually air to naval ship?

Mr. LEVINE. That is correct.

Mr. SMITH of Florida. Sidewinders are air to air?

Mr. LEVINE. That is correct.

Mr. SMITH of Florida. Stingers are ground to air?

Mr. LEVINE. That is correct.

MILITARY THREAT TO SAUDI ARABIA

Mr. SMITH of Florida. Do you anticipate the military threat being in any direction? Do you think that the MEATS study anticipates the military threat being from any of those directions against Saudi Arabia?

Mr. LEVINE. That is not my understanding of the conclusions of the study or of the realities on the ground.

Mr. SMITH of Florida. And you voice concern, obviously, about the proliferation of things like Stinger missiles in the Middle East, and, of course, I share your concerns and have for a number of years.

SAUDI ARABIA'S HELP IN THE PEACE PROCESS

Are you aware of any instance where publicly the Saudi Arabians have been helpful in providing to us any basis on which we could point to them and say, "The Saudis support this peace initiative." "The Saudis are supporting this; the Saudis want to recognize Israel." "The Saudis want to end the state of seige between themselves and Israel." "The Saudis have stopped paying the Syrians for 'peacekeeping' efforts in Lebanon."

Have we seen any of those in the recent past?

Mr. LEVINE. To the contrary, Mr. Smith. In fact, the record abounds with evidence of the absolute opposite of statements from the Saudi Government on a consistent basis.

Mr. SMITH of Florida. Then, I suppose we could look in the recent days for Saudi Arabia to be on the list of those countries that applauded our efforts in Libya. If they have not done anything else—could we? Would that be the justification for the sale?

Mr. LEVINE. It would be a good place to look, Mr. Smith, but you would find in this instance, as well, statements to the contrary—statements applauding the Libyan position rather than the American position.

Mr. SMITH of Florida. I see.

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That is distressing to you, is it not?

Mr. LEVINE. Of course, it is.

U.S. MILITARY SALES TO SAUDI ARABIA

Mr. SMITH of Florida. It certainly is distressing to me.

Do you know how much military equipment, or the value of the military equipment that we have sold to Saudi Arabia over the last 10 years, approximately?

Mr. LEVINE. It is my understanding, Mr. Smith, that, since 1971, we have sold to the Saudis 44 billion dollars' worth of military weapons.

Mr. SMITH of Florida. That is with a "b"?

Mr. LEVINE. "b." With a "b," billion.

Mr. SMITH of Florida. Forty-four billion?

Mr. LEVINE. That is correct.

SAUDI GUARANTEES ON EQUIPMENT

Mr. SMITH of Florida. And except for the two Sidewinders that they used to shoot down two Iranian planes, are you aware of any of that hardware being used?

Mr. LEVINE. Not only am I not aware of it being used, but it is my understanding, as well, that the Saudis have made it clear that, although they want our weapons and although they are prepared to continue to purchase those weapons which they believe will be helpful, they are certainly not prepared to allow the United States to operate from Saudi territory, or work with them with regard to their own defense in terms of establishing joint efforts with the Saudis on Saudi territory.

Mr. SMITH of Florida. So, in other words, we do not even have the guarantees that were once being sought in the ill-fated Jordan Stinger missile sale—and that is that they were going to allow us to have a key to the locks which were going to be placed where they were going to be separated.

Do you know of any particular methodology of the Stingers being stored so as to prevent, or at the very least make very difficult the theft or the diversion of those Stingers in the hands of somebody who might very well shoot down a commercial airliner?

Mr. LEVINE. Well, in fairness, Mr. Smith, they do have some security guarantees for the Stingers, but, frankly, whatever security guarantees might be with regard to a weapon of this nature, which is such an ideal terrorist weapon, I believe that it is simply foolhardy to consider injecting additional Stingers into this region at this point in time, regardless of the guarantees that we might receive.

Mr. SMITH of Florida. I am curious——

Mr. LANTOS. If the gentleman will allow, we have a vote that we will break for now, and then you may continue questioning.

We will stand in recess until then.

Mr. SMITH of Florida. Thank you.

Mr. LEVINE. Thank you.

[Recess.]

Mr. LANTOS. The subcommittee will be in order.

Mr. Smith, you would like to finish up here?

Mr. SMITH of Florida. Yes.

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[Pause.]

Mr. SMITH of Florida. Would you kindly respond, Mr. Levine?

Mr. LEVINE. That was my response, Mr. Smith. [Laughter.]

VICE PRESIDENT BUSH'S VISIT TO SAUDI ARABIA

Mr. LEVINE. Well, would you repeat the question?

Mr. SMITH of Florida. In the past few weeks we saw the Vice President go to Saudi Arabia for a series of meetings and consultations with the King and some high-level officials, and without going too deeply into what was apparently some of the various things that were discussed, I noticed—and I do not know if you saw this in the newspapers—however, I noticed that, upon the Vice President's, just before he left, he had been asked whether or not he had discussed with the Saudis the possibility of them raising with other Arab States, and with the PLO certainly, the recognition of Israel on 242 and 338, and renunciation of terrorism.

The Vice President's response was: "Well, I raised the issue, but you know the Saudis—they probably won't do it."

Now, that' is a quote in the newspaper. I cannot tell if that is accurate; I am just repeating what I saw in the newspaper.

But, did you see that?

Mr. LEVINE. I did not see it, but it was reported to me.

Mr. SMITH of Florida. Is that as disturbing to you as it is to me? That in such an offhanded fashion it should be felt that there is, in fact, no way by which you can really get the Saudis to come forward—even privately now; it was not made as if it was a public declaration for them to shout it all over the front pages of the newspaper, even probably and the Vice President would be so discouraging immediately as to say "Well, they probably won't do it"?

Mr. LEVINE. Mr. Smith, it will surprise you to learn that I find your point to be extremely well taken.

Mr. SMITH of Florida. I am not surprised.

Mr. LEVINE. But let me broaden it, and take it beyond the reports of the Vice President's trip, because I think that you are touching upon a subject of fundamental importance with regard to this entire issue.

ADMINISTRATION SUPPORT FOR THE SALE

In the context of the administration's support for and defense of this proposed arms sale, in moments of candor, members of the administration will essentially stipulate that they no longer believe that Saudi Arabia is likely to play a meaningful role in the peace processs.

Mr. SMITH of Florida. When is the last time one of those seizures of candor came over any of the people that spoke to you?

Mr. LEVINE. Well, I have heard—and I do not believe that it is appropriate to——

Mr. SMITH of Florida. I did not ask you who they were.

Mr. LEVINE. But, you know, I think it is clear—let's just put it this way: I think it is clear that in reading the statements that are offered by the administration in support of the sale, they certainly do not base their support upon raising any of our expectations that

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Saudi Arabia is likely to play a meaningful role in expanding the peace process.

And I think that while a more diplomatic framework is used in essentially admitting that reality, and while more polite language is used, I think that we can very well read the administration's assertions with regard to this broader issue, to mean they have backed off of any reasonable expectation or suggestion that Saudi Arabia is likely to play a meaningtul role in expanding the arms process.

And I do not believe that the administration believes it, and I do not believe that the administration in making its case today is likely to base its case upon that as one of its assertions.

Mr. SMITH of Florida. Well, then, in closing, would I be incorrect, as far as you are concerned, in the fact that this is nothing more than just another form of—and I hesitate to use the word, and maybe I will not—another form of enticement to keep the Saudi Arabians within the sphere of the United States, although it does not appear that that really has much impact on what they do.

Do you view it that way, more than any other? It is certainly not a help to them particularly from the threat they pose. It has not motivated them to do anything. It is just another attempt to give them something before they give us something in exchange?

Mr. LEVINE. It is again relying upon the sale of arms as the essence of our policy with regard to Saudi Arabia without formulating a policy that is likely to achieve any success in getting the Saudis to give any assistance to us in the peace process.

And I think that it is clear——

Mr. SMITH of Florida. You should not beat around the bush. You really should come to the point.

Mr. LEVINE. I think that it is clear at this point that the Saudis are not going to help us broaden the peace process, are not going to help us with regard to Camp David, and I do not believe that there are any real expectations to the contrary.

Mr. SMITH of Florida. So this sale, like all others, will not move anything forward, and that just another military arms sale which will make us bigger arms merchants but which will have no effect on our foreign policy in general to bring peace to the region?

Mr. LEVINE. I think that is a fair conclusion.

Mr. SMITH of Florida. Thank you very much.

Thank you, Mr. Chairman.

Mr. LANTOS. Thank you very much, Mr. Levine. We appreciate your testimony.

Mr. LEVINE. Thank you, Mr. Chairman.

Mr. LANTOS. Our next witness is the Honorable Richard Murphy, Assistant Secretary of State—and I think you are accompanied by Mr. Robert Pelletreau, Deputy Assistant Secretary of State. We are delighted to have both of you.

Mr. MURPHY. Thank you, Mr. Chairman, but we lost——

Mr. LANTOS. Mr. Secretary, we will put your entire statement in the record, as usual, and if you would proceed in whatever fashion you see fit.

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STATEMENT OF HON. RICHARD W. MURPHY, ASSISTANT SECRETARY, BUREAU OF NEAR EASTERN AND SOUTH ASIAN AFFAIRS, DEPARTMENT OF STATE

Mr. MURPHY. Thank you, Mr. Chairman.

Rather than simply summarizing the statement which I have submitted for the record, I would like to start out by stressing the importance that the President attaches to the proposed sale of a limited number of air-to-air, air-to-sea, and ground-to-air missiles to Saudi Arabia.

He stated, in his March 25 letter to Senator Dole, he saw the importance to our national interest of these sales and said it will be necessary for him to veto any resolution of disapproval intended to block these sales.

I have looked forward to today's hearing as an opportunity to exchange views with your subcommittee about these sales, and I would like to start out by addressing some of the questions I anticipate are on your minds, and which Congressman Levine's presentation did, in fact, touch on.

First, why? Why is the sale in U.S. interests?

Strengthening Saudi air defense capabilities will help ensure that Saudi Arabia, and other moderate Arab Gulf States are not caught up in an expansion of the Gulf war and the spread of Khomeini-type radicalism.

It will complement our own regional security objectives, and reduce the probability of future direct U.S. military involvement.

In sum, this is not a litmus test devised by Saudi Arabia to prove United States friendship and we are not responding to that.

Second, while it may seem to some in the Congress, perhaps because of the frequency of our appearances discussing arms sales issues, that our security program is the only active part of our relationship with Saudi Arabia. Our security ties are, in fact, only part of our relationship spanning extensive diplomatic education and commercial cooperation.

That said, security cooperation is definitely the underpinning of this relationship, and we cannot undermine our ties with our principal friend in the Gulf today, and expect to rebuild them later.

Third, our commitment to the security and the qualitative military superiority of Israel will not be diminished by this sale. The administration remains committed to ensuring that Israel retains the ability to successfully meet any probable combination of enemy forces.

Fourth, while we consider that the missiles sales should not be linked to the Arab-Israel peace process, we believe the Saudis have indeed made constructive contributions to the search for peace in the Middle East region.

Critics are wrong to denigrate what they have done. Saudi policies have often complemented our own even when we may not have agreed completely on the tactics of the moment.

For instance, despite their reservations, the Saudis have consistently viewed the 1982 Reagan initiative as positive and scrupulously avoided opposing it.

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Saudi Arabia has worked within the Arab world to shift the consensus away from confrontation with Israel to constructive efforts to achieve peace.

Their own effort through the Fahd plan, which emerged as the Arab summit position at Fez in 1982, has fundamentally altered the Arab consensus position from one of rejecting peace to discussing how it is to be achieved.

This is significant. It provided the framework within which King Hussein could explore more direct ways to negotiate.

Saudi financial support of King Hussein moreover has remained strong throughout his efforts to move to direct negotiations. Saudi financial support remains strong today.

Fifth, Saudi Arabia has taken a number of steps to move the Arab consensus back toward recognition of Egypt, including working quietly to ensure Egypt's reentry into the Organization of the Islamic Conference.

In my prepared statement I also presented the proposition that United States interests in the Middle East extend beyond Arab-Israeli issues, and must not be viewed solely through the optic of the Arab-Israeli peace process. Friendly relations with moderate Arab States like Saudi Arabia not only are compatible with our support for Israel but create the balance which is essential to our ability to play a mediating role in the area.

As to the actual missile package, which we are proposing to sell, it represents an appropriate response to the threats facing Saudi Arabia, and is not excessive to Saudi needs.

The Joint Chiefs of Staff have confirmed the need for the types and quantities of missiles we are proposing to sell, using the same criteria the United States Air Force uses with adjustments for factors unique to Saudi Arabia, such as lack of an industrial base and the source of immediate resupply.

The missile-to-aircraft ratio frequently cited by opponents to the sale is misleading; we have concluded that the real Saudi figure will be roughly comparable to that of our own Air Force or Israel's. That is, when the missiles are fully delivered in 1991, the ratio of missiles to aircraft will be in the single digits.

Critics who point to the $50 billion of United States foreign military sales over the years to Saudi Arabia argue that these have been excessive, but they fail to mention that less than 10 percent of the total went for weapons and ammunition—10 percent of that $50 billion, or just under $50 billion.

A far larger portion was for support services such as construction, repairs, supply operations, and training. The Saudis, with United States assistance, have built from scratch a modern military infrastructure for a country the size of the United States east of the Mississipi River.

The notion that Saudi Arabia has a bulging arsenal does not withstand serious examination. Furthermore, they have paid cash for the several programs, and I think we all regret as a major loss to the United States economy last year when Saudi Arabia purchased aircraft from the United Kingdom with a value of $12-20 billion for a 20-year program.

Finally, Saudi relations with Libya and the PLO—these relations have been distorted to suggest that the Saudis support terrorism.

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This is simply untrue. The fact is that the Saudis, like us, have been victims of terrorism, not supporters. They oppose terrorism, and I am convinced that they will continue to do so——

SAUDI OPPOSITION TO TERRORISM

Mr. LANTOS. Could I stop you on that point for just a second, Mr. Secretary?

Mr. MURPHY. Certainly.

Mr. LANTOS. You say that they "oppose" not "support" terrorism.

Is it your view that Qadhafi supports terrorism?

Mr. MURPHY. It is definitely my view, sir.

Mr. LANTOS. Is it accurate to say that the Saudi Government publicly has supported Qadhafi's regime during the course of the last week?

Mr. MURPHY. That is not true, sir.

It has supported and sympathized with the Libyan people. I think if you examine the text of the Saudi statement, you do not find a statement of support for Colonel Qadhafi or the Libyan Government; it has spoken of the Libyan people.

It has condemned our attack, yes; but it did not speak of Colonel Qadhafi.

SAUDI REACTION TO U.S. POLICY ON TERRORISM

Mr. LANTOS. But it condemned our action?

Mr. MURPHY. Yes, sir.

Mr. LANTOS. Has our action been a major U.S. foreign policy move, military move, in your view?

Mr. MURPHY. Yes; it has, Mr. Chairman.

Mr. LANTOS. It has had major repercussions globally, has it not?

Mr. MURPHY. Yes; it has.

Mr. LANTOS. Is it reasonable to assume that people who ask for our friendship and military sales in such a critical juncture stand up with us?

Mr. MURPHY. Yes; and I do not think we have reason to be satisfied with the support that we have gotten around the world.

Mr. LANTOS. I am sorry?

Mr. MURPHY. I do not think that we have reason to be satisfied with the support that we have gotten around the world, particularly in public terms.

Mr. LANTOS. We have earlier this morning had a lengthy discussion of how dissatisfied we are, in general; but here we are dealing with Saudi Arabia specifically.

How satisfied are you with the Saudi response?

Mr. MURPHY. I am not satisfied with the public response. I do draw your attention to the wording. Their statements are generally very carefully written, and you do not find words of support for Colonel Qadhafi or the Libyan Government in that statement.

Their position on terrorism has been made amply clear, Mr. Chairman, over the years.

Mr. LANTOS. I am intrigued by this differentiation between "public" and "private" statements, because what we are dealing

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with is a "whipping up" of anti-American sentiments in the public at large.

So, whatever "private" statements may or may not be made, that is not quite nearly as important as the "public" denunciation of U.S. action.

Do you not agree with that?

Mr. MURPHY. I do not regard lightly the public statements, Mr. Lantos. In the case of the Saudis, they are not defending the formulation that they put out over their official radio. I would point out they are under the Arab League, members of a Joint Defense Treaty, and they have said probably the minimum they could say as members of a Joint Arab Defense Treaty under those circumstances of our military response to Libyan terrorism.

Mr. LANTOS. It seems to many of us that friendship ought to be running both ways, that it is a reciprocal pattern, and if the Saudis expect gestures of friendship and support, is it not reasonable for us to expect reciprocal gestures of friendship and support?

Mr. MURPHY. Yes, and I would argue that we have had them, Mr. Chairman, on this particular issue——

Mr. LANTOS. But I am talking about this issue.

Mr. MURPHY. This issue has in the field of public diplomacy, caught the Saudis, along with all other Arabs, in the difficult position of this Joint Defense Treaty and the need to say something.

I think only one country has said nothing.

UAE CONDEMNATION OF UNITED STATES ACTION TOWARD LIBYA

Mr. LANTOS. The United Arab Emirates, in the United Nations Security Council, voted to denounce the United States yesterday. They are one of the Saudis' close friends.

What is your comment, Mr. Secretary?

Mr. MURPHY. The United Arab Emirates is on the Council as a representative of the Arab group as a whole, and their statement did not surprise me. Again, that does not mean I approve it. That does not mean we will not be having some very straight talk with the United Arab Emirates. They misunderstood our position. If they misunderstood the provocations that our people and, our country have been subjected to, then perhaps we can help clear that up.

SAUDI AWARENESS OF LIBYAN TERRORIST ACTIONS AGAINST UNITED STATES CITIZENS

Mr. LANTOS. Do you think the Saudis were not aware of a pattern of terrorist activity by Libya against American citizens?

Mr. MURPHY. There is no question of their awareness and of their opposition to it.

When the United States moves militarily, it tends to make the rest of the world nervous, as a whole, and in the Arabs' case, it brings back memories of 1956 of earlier colonial days when outside powers moved against the Arab world.

Mr. LANTOS. Well, let me just say before I——

Mr. MURPHY. I am not saying that to excuse, simply to share your sense of history.

Mr. LANTOS. Well, I know you share my sense of history. The thing that intriques me, Mr. Secretary, is that if in every single in-

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stance we ourselves rationalize the anti-American attitude and actions in public statements of countries that we are supporting, there will be no incentive for them to line up with us.

And I find it incomprehensible that that has not yet penetrated the administration.

Mr. MURPHY. That is an assumption, Mr. Chairman, that you should not make. It has long penetrated the administration, and we have had some very direct talks with our friends and allies around the world about our concerns for their lack of support for us in public statements as well as their private actions.

JUSTIFICATION FOR THE SALE

Mr. LANTOS. But it seems to some of us that this goes to the very timing of your testimony today. I mean the Saudis have just denounced us; and here you are carrying water for the Saudis. You are our top State Department official for the area, and the inconsistency in these two phenomena is mindboggling. I wonder if you could reconcile it for us.

Mr. MURPHY. Well, I would be happy to try, Mr. Chairman. Of course, the timing of this testimony was not dictated by the events in Libya.

Mr. LANTOS. Sure. Sure.

Mr. MURPHY. The timing of this testimony, the submission by the administration of this package to the Congress, was determined by developments in the Iran-Iraq war which raised the level of concern and there have been any number of statements which, I am sure you are familiar with, coming out of Teheran over the past several months, raising the level of threat and tension considerably, vis-a-vis Iranian moves—potential moves against both Kuwait and Saudi Arabia.

So that is what brought us here today, by coincidence, a day after the vote of the Security Council and a week after our military response to Libya.

We are not doing ourselves a favor—or, as I said, it is not really a "litmus test" of American friendship. That is not the way we have approached this proposed sale. We have approached it as providing them the wherewithal in the years to come that their defense inventory, their missile inventory, in particular, will enable them to face down the threats in the region.

In the immediate terms, it is designed as a political signal, because these will not be delivered for a minimum of 2 years, up to 4 years, from now. But, by that time, as I said, the ratio of missiles to aircraft, given attrition, given a variety of factors, will be in the single digits and not excessive in any ratio looked at worldwide.

Mr. LANTOS. Mr. Secretary, since we do not want to squeeze your time at all, it might be better if we suspend for a moment so that you will have all the time to develop your argument after we take the vote.

Is that all right with you?

Mr. MURPHY. Yes.

[Recess.]

Mr. HAMILTON [presiding]. The subcommittee will resume its sitting.

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I want to express my appreciation to Congressman Lantos for filling in for me while I testified at another subcommittee.

Mr. Secretary, I understand that you have not yet completed your statement.

You may do so.

Mr. MURPHY. Mr. Chairman, in fact, I was right at the end of the statement.

I was about to say that, in closing, I want to emphasize that in proposing this sale we are supporting U.S. interests. It is in U.S. interests to deter the expansion of Iranian influence and Iranian threats in the gulf war.

Saudi Arabia has valid defense requirements, and we are prepared to help meet them. Denying the Saudis and the Gulf Cooperation Council, of which Saudi Arabia is the principal member in terms of its military force, denying them the ability to defend themselves would not serve our interests. In closing, I would simply say that I would welcome any questions. Mr. Hamilton. Thank you very much, Mr. Secretary.

[The prepared statements of Mr. Murphy and Mr. Pelletreau follow:]

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PREPARED STATEMENT OF HON. RICHARD W. MURPHY, ASSISTANT SECRETARY, BUREAU FOR NEAR EASTERN AND SOUTH ASIAN AFFAIRS, DEPARTMENT OF STATE

Mr. Chairman and members of the Subcommittee, I welcome this opportunity to join you today to discuss U.S. interests in the Middle East which concern us all. Rather than review recent events that have occurred throughout the region since our last session together, I would like you to consider some thoughts and observations about broader trends in the region and how they affect our interests. I would particularly like to address the relationship between such trends and our arms sales policies to friendly Arab states such as Saudi Arabia.

U.S. Policy Over 40 Years

Since the 1940s, the U.S. has been the crucial external force in the effort to establish and maintain peace and security in the Middle East. The depth of our political, economic, and strategic concerns in the region, which eight Administrations, both Democratic and Republican, have consistently sought to protect, reflect this fact.

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A fundamental commitment to Israel's security and well-being has long been a constant in our Middle East policy. Simultaneously, since the post-World War II period we have maintained close ties with pro-Western Arab states. We have worked hard to build these links to promote these important U.S. strategic objectives: to deny opportunities to the Soviet Union in this critical geographic region; to protect free world access to the world's largest reserves of oil -- a long term interest, I might note, that is in no way diminished by the current surplus of oil; to check the growth of radical anti-Western movements, and to promote the process of building peace between Israel and its neighbors by relying on our relations with both sides.

Friendship with one party to the Arab-Israeli dispute has not diminished the reliablilty of U.S. ties to the other. There are those on both sides of the Arab-Israeli dispute who assert that U.S. policy is a zero-sum game; that ties with one side preclude friendship with the other; that by aligning ourselves exclusively with one side, we can compel the other to make concessions. These notions are wrong, and our experience proves that they are.

We have sought to maintain close ties to both Israel and Arab states. For this reason, we are the only superpower

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trusted by both Israel and the Arabs. By establishing friendship and confidence on both sides, we have made it possible to help move both Arabs and Israelis toward greater peace and security. We have brokered six peace agreements serving Israeli, Arab, and western interests.

In recent years there has been a growing sense of realism and pragmatism in the Arab world concerning Israel. The peace treaty between Egypt and Israel was the first breakthrough on this. The political and diplomatic initiative by King Hussein, which continues, is further evidence. This sense of realism is based in part on recognition of the strength of our relationship with Israel, but it is also based on our close relations in the Arab world and the interest we have shown in Arab security and welfare. Our influence as a mediator in the peace process is based on the trust, confidence and friendship we have on both sides, as well as our ability to help support their needs.

In contrast to the role the United States has played, the Soviet Union, without diplomatic relations with Israel and with limited diplomatic ties and bilateral relations in the Arab world, has had only a peripheral role to play.

Military security is a major element in our relationship with both Israel and the Arab states. Israel is, of course,

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the largest recipient of U S. security assistance in the world. Egypt is the second largest. Both of those programs have been well understood and strongly supported by the Congress as major elements in our strategy of peace in the Middle East.

I am concerned, however, about less understanding of the importance of our military programs -- including training, assistance, U.S. personnel, and sales of major equipment -- elsewhere in the region. There is not enough understanding of the strategic importance of such sales to the United States. Our close military ties with Saudi Arabia and other Gulf states, for example, have been a key factor in guaranteeing that our friends have the means to protect their own security, containing threats posed by the Iran-Iraq war and Iranian extremism, guarding against Soviet inroads, and cooperating with the U.S. in ensuring free international access to oil supplies.

These points merit elaboration. Security assistance, arms and technology transfers have been an important instrument in constructing bridges to both parties of the Arab-Israeli dispute. We all take pride in the economic and military assistance we have provided to Israel over the years. We must

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not forget the great value of the support we have given to the Arab states over the years. For thirty years Arab states friendly to the United States have turned chiefly to us as a source of arms and technology -- to the near exclusion of the Soviet Union. Arab intelligentsia are schooled in American Universities; their technicians are skilled on our systems. Perhaps most important, members of their military learn our doctrine, train on our systems, and develop lasting professional and personal ties with American counterparts that they carry back to their own countries.

These relationships have worked to our mutual interest. "Mutual interest" is a two-way street. We make choices regarding our security partners and the commitments we make to them. They, too, make choices -- based on their perceptions of the long-term advantages of ties to the U.S. and the alternatives, including closer relations with the Soviet Union.

Impact of Trends and Events on the Situation Today

For the first time in three decades, Mr. Chairman, recent events threaten to undermine our balanced approach, challenging the long-standing policy that has worked so well for advancing U.S., Israeli, and Western interests. I am deeply

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concerned that the impact of these events and trends could cost us dearly in the region. During my recent visits there I have been increasingly challenged by questions about American motives and credibility.

For example, and allow me to spreak frankly, our inability to gain congressional support for the Jordan arms sale is perceived in the region as a sign that the U.S. has unilaterally terminated a 30-year arms supply relationship with an Arab state with which we have a close and friendly relationship. The perception of withdrawal of U.S. support for King Hussein at a delicate moment in the King's effort to move the peace process forward was especially troubling. Opponents of the peace process are citing the withdrawal as proof that the King cannot count on the United States politically or militarily.

At the same time that some Arab states are moving to a more realistic view of Israel's place in the Middle East, it would be a great irony if the United States did not take advantage of this trend in Arab thinking to maintain and develop our overall relations with the Arabs. The history of U.S. involvement in the Middle East affirms the wisdom of our policy of maintaining close ties with both Israel and the friendly Arab states.

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U.S./Saudi Relations: Military Sales

We now face a time of testing whether this successful policy of 30 years is relevant, or if we will turn around and pursue a more parochial, narrow, and in my view, extremist policy. Such a test now faces us with our current intention to sell Saudi Arabia a limited quantity of defense articles.

U.S. interests in the region are best served by continued strong, open and credible relations with moderate Arabs. In the business of diplomacy I am often struck by what is sometimes called the law of unintended consequences. Specific decisions and actions perceived as good and just causes in one narrow context sometimes produce undesired results in a broader arena, decisions which come back to damage even the original limited concern. It is, therefore, essential that both the Administration and the Congress be sensitive to the overall security system which is affected by U.S. actions -- and inactions. Otherwise, we cannot guard against negative consequences to U.S. interests, and those of our Israeli and Arab friends, caused by decisions made for discrete purposes.

A case in point is the Administration proposal to sell arms to Saudi Arabia, which was formally notified to the Congress on

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April 8. The proposal consists of some standard follow-on items for support and upgrade of systems already existing in the Saudi inventory. These arms would be part of an ongoing arms supply relationship which we have maintained with the Saudis for over 30 years. They represent no major enhancement of Saudi capability.

Our reasons for supporting this important friend are simple and cannot be overemphasized. They bear repeating. Maintenance of our longstanding arms supply relationship with Saudi Arabia strengthens defense of the Gulf, an area vital to U.S. interests. I would remind you that two administrations have pledged to use force, if necessary, to protect the free flow of Persian Gulf oil. We still stand by that policy. The Saudis have taken the lead, with other Gulf Cooperation Council states, in protecting the shipping and oil installations of the upper Gulf. It is important that we not lose sight of the fact that Saudi self-defense reduces the probability of direct U.S. military involvement to defend our interests. Further, our support for Saudi self-defense has been an important element of deterrence -- Iran has clearly had to take into account the fact that the Saudis have significant U.S. backing. If that perception is called into doubt, if it appears empty rhetoric, the costs to the United States could be substantial.

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Since the 1940's our mutual security ties with Saudi Arabia have been the foundation of the overall bilateral relationship--a relationship now under attack by radical and extremist forces in the region, some of whom exploit religion for political purposes. The continued sale of U.S. equipment to replenish and update Saudi forces strengthens our relationship and responds to a clear need for the continuing defense of Saudi Arabia.

Iran remains a formidable threat to the Gulf States. It is clearly in U.S., and our friends' interests, to see that Saudi Arabia and other moderate states are adequately equipped to counter potential Iranian aggression. The evidence is clear. Royal Saudi Air Force pilots flying F-15s and using American made equipment downed intruding Iranian aircraft in the spring of 1984. This single act of vigorous defense deterred further Iranian attacks on Gulf States. It was far preferable that this defense of the Gulf was undertaken by Saudi pilots in Saudi planes rather than U.S. pilots in U.S. planes.

Saudi Arabia is a major anti-communist power on the peninsula. Strenthening Saudi defensive forces, especially with equipment that is interoperable with our own, is a significant strategic advantage. The Saudis are, for example, the major deterrent against any adventurism on the part of the

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new and even more radical South Yemen regime. As I noted in the beginning of my testimony, our arms supply relationships with important strategic partners like Saudi Arabia are longstanding and mutually beneficial. Severance of this key linkage would cause unintended and harmful costs to U.S. security.

Continued U.S. supply of arms to Arab states is in Israel's interests. Israel not only retains but is increasing its qualitative military edge over any combination of Arab forces. We are committed to the maintenance of the Israeli advantage, and insure it is kept by carefully reviewing all arms transfers to the region and obtaining appropriate safeguards whenever required.

If the United States will not continue this carefully calibrated arms supply relationship, Arab states like Jordan and Saudi Arabia will seek other sources of arms. Whenever our friends seek alternative sources there are costs: security costs for Israel, and political, strategic, and financial costs to the U.S. The recent Saudi purchase of long-range Tornado fighter aircraft, which we believe has not served any discernable U.S. interest, is a good example, Unlike the F-15s, an air defense aircraft we supplied to the Kingdom in 1979, there are no restrictive understandings on basing the

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Tornados close to Israel's borders. Additionally, some independent academics estimate that the Saudi purchase of Tornados, a ground attack aircraft, rather than the additional F-15s they preferred, cost the American economy from $12 to $20 billion dollars.

In short, the reasons for continuing our arms supply links with moderate Arab states are compelling and numerous. The United States provides arms to Saudi Arabia based on its defensive requirements and because a defensively sound Saudi Arabia is in the best interest of the United States.

I am disturbed, Mr. Chairman, by assertions now circulating that would attempt to tie a formal and direct linkage between our routine arms supply to Saudi Arabia and peaceful resolution of the Arab-Israeli dispute. This is a narrow approach to a complex set of issues. If followed, it would bring into action the "law of unintended consequences" I noted earlier. We, Israel, and the moderate Arabs would lose. In the final analysis, the Soviets would be the winners.

U.S. policy has succeeded in promoting peace and stability in the Middle East when it has differentiated between cases where linkages are appropriate and effective, and cases where they are neither. Some arrangements, such as the U.S.

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contribution to peace between Israel and Egypt, have clearly benefitted from explicit U.S. willingness to provide security assistance to the parties in the settlement. Such a relationship was fully consistent with U.S. interests and, in fact, inherent in the development of the agreement itself. In other cases, including Saudi Arabia, our security relationship is based on considerations of regional peace and stability that go beyond the specific Arab-Israeli issue. Neither we, nor the cause of peace, would achieve anything from an effort to compress U.S.-Saudi security ties into an Arab-Israeli mold.

AWACS

In 1981 when the Administration notified Congress of its intention to sell AWACs to Saudi Arabia, President Reagan sent a letter to Congressional leadership. In it, he provided assurances that certain conditions would be met before transfer of the AWACS. The required technical assurances either have or will shortly be completed. Additionally, the letter assured:

"That the sale contributes directly to the stability and security of the area, enhances the atmosphere and prospects for progress towards peace, and that intiatives toward the peaceful resolution of disputes in the region have either been successfully completed or that significant progress

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toward that goal has been accomplished with the substantial assistance of Saudi Arabia."

There is a good deal that can be said about Saudi Arabia's contribution to peace in the region.

Iran/Iraq War: The Saudis have supported every major diplomatic effort over the past five years to end the Iran/Iraq war, including mediation missions by the UN, the Organization of the Islamic Conference and individual third governments. The Saudis seek a just and quick resolution of the bloodshed. They have made clear their preference that the war end without effect on the sovereignity of either Iran or Iraq.

Lebanon: Saudi Arabia has made major, and often highly visible efforts to bring peace to war-torn Lebanon. For example, they played a major role in arranging the cease fire in the Shuf Mountains in September 1983 when Crown Prince Abdullah and Prince Bandar engaged in high profile shuttle diplomacy. Saudi observers were present at the Geneva and Lausanne talks and worked with the Lebanese and Syrians to encourage development of national reconciliation. Furthermore, they were supportive of Lebanese Government efforts to negotiate with Israel on security arrangements in southern Lebanon. The Saudis supported Lebanese efforts to win Syrian

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consent to proposed compromises and were active in exploring additional proposals for compromise between the parties.

Arab-Israeli Peace: Although the Saudis have only occasionally played a high-profile role in working towards resolution of the Arab-Israeli dispute, private Saudi efforts have had significant effect at critical periods. Notable Saudi initiatives are the Fahd Peace Plan and its successor, the Fez Communique. These declarations may not have gone far enough, but they are indeed a substantial assistance in the search for peace. Let me explain.

The Arab desire for consensus has been a central reality in the peace-making effort -- even though that consensus has so often proven elusive. Prior to the Fahd Plan and Fez Communique, the Arab consensus was the three "NOs" of Khartoum which rejected recognition, negotiation, or conciliation with Israel.

Saudi advancement of the Fahd proposal in November 1981, followed by ten months of active Saudi diplomatic effort achieved a significant new Arab consensus -- one that permitted negotiation. It turned the discussion from a rejection of peace to a debate on how to achieve peace. It is the largest step toward peace that the Arabs have taken as a group. Its

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existence provided an essential context for King Hussein's initiative. It was and remains a major and constructive step forward for the Arabs. Indeed, the Fahd proposal reflects language drawn from UN Security Council Resolution 242, that all states in the region should be able to live in peace.

We have often cautioned all who support peace in the Middle East not to expect dramatic progress in the peace process. Advance is made in incremental steps. Only through steady, dogged effort will the parties collectively move toward peace and security. Positive Saudi efforts must not be belittled. There are other examples.

Saudi Arabia's support for King Hussein's efforts have been substantial. The Saudis have assured Jordan that they would back any arrangement to which both Jordan and the Palestinians could agree. Over strong Syrian opposition, the Saudis sent official observers to the Amman Palestine National Council [PNC] meeting where they publicly stated their support for Hussein's decision to host it.

Political reintegration into the Arab world of Egypt -- the only Arab state to share a peace agreement with Israel -- is symbolically important to moderate Arab states. The Saudis have felt that an Arab Summit decision is required formally to

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reestablish Arab-wide relations with Egypt. Meanwhile, they have taken a number of positive steps towards integration. For instance, by supporting the essential motion for a secret ballot, they helped make possible Egypt's reintegration into the Organization of the Islamic States.

Peace is still in the making. The parties have made a good deal of progress already, but there is undeniably a long way to go. Achievement of our shared goal, Israeli-Arab peace, requires risk taking, good will, and hard work from all the parties. We are all hopeful we will succeed. But I am certain that any campaign to denigrate the genuine efforts of one or some of the parties is counterproductive to achieving our objective.

Gentlemen, in conclusion, as you consider Middle East issues over the next several months, I ask that you examine them from the perspective of the overall political and strategic context of the region. In our system of government, decisions are perforce taken on discrete issues. But if we are to avoid unintended consequences for U.S., Israeli, and Arab interests, we must keep the overall context in view as we make those decisions. We must return to a policy of proven success. We must avoid moving down a road which excludes important security partners and which, however inadvertently, plays into the hands of Middle Eastern radicals -- the Cassandras who say real peace is not possible, that our interests are limited to the peace process, and that the U.S. cannot be friends with Israel and friendly Arab states alike.

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PREPARED STATEMENT OF ROBERT H. PELLETREAU, JR., DEPUTY ASSISTANT SECRETARY OF DEFENSE

CHAIRMAN HAMILTON, CONGRESSMEN, IT IS A PLEASURE TO BE HERE TODAY IN SUPPORT OF THE ADMINISTRATION'S PROPOSED SALE OF DEFENSIVE WEAPONS TO SAUDIA ARABIA. LET ME SAY FROM THE OUTSET THAT THE DEPARTMENT OF DEFENSE AGREES COMPLETELY WITH ASSISTANT SECRETARY MURPHY'S REMARKS. HE HAS MADE A COMPELLING POLITICAL ARGUMENT FOR THIS SALE AT THIS TIME AND EXPLAINED WHY IT IS IN THE NATIONAL INTEREST OF THE UNITED STATES TO PROCEED WITH IT. ASIDE FROM THE POLITICAL SIGNAL WE WISH TO MAKE TO BOTH THE SAUDIS AND THE AYATOLLAH, THE SALE STANDS ON ITS OWN FROM A STRICTLY MILITARY VIEWPOINT, AND IT IS THAT RATIONALE I WISH TO ADDRESS BRIEFLY.

THE SIMPLE FACT IS THAT SAUDI ARABIA NEEDS THESE WEAPONS, WHICH ARE PURELY DEFENSIVE IN NATURE, TO MEET THE THREATS THEY -- AND WE -- PERCEIVE THEY WILL FACE IN THE EARLY NINETIES. NO ONE CAN PREDICT WITH CERTAINTY THE ENVIRONMENT THEY WILL FACE FIVE YEARS FROM NOW. CERTAINLY IN 1981 WE DID NOT PREDICT THAT THE IRAN-IRAQ WAR WOULD RAGE ON INTO 1986. GIVEN THE LONG LEAD TIMES ASSOCIATED WITH MODERN WEAPONRY, ANY PRUDENT DEFENSE PLANNER -- AMERICAN, SAUDI, OR, FOR THAT MATTER, ANY OTHER

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NATIONALITY -- MUST LOOK INTO THE FUTURE AND MAKE CERTAIN ASSUMPTIONS ABOUT THE THREAT THAT ONE'S COUNTRY MIGHT FACE. BECAUSE OF THE TERRIBLE COST OF A MISTAKE, MILITARY PLANNERS ARE INHERENTLY CAUTIOUS. THE SAUDIS ARE LIKELY TO BE SURROUNDED BY ANY NUMBER OF POTENTIALLY HOSTILE NEIGHBORS IN THE EARLY NINETIES: IRAN, CAPABLE OF REBUILDING ITS ARMED FORCES WHICH HAVE ALREADY BEEN TRIED IN BATTLE; IRAQ, FRIENDLY TODAY BECAUSE OF THE WAR, BUT WITH HISTORIC CLAIMS TO VALUABLE SAUDI AND KUWAITI TERRITORY AND WITH FORCES THAT OUTEQUIP AND OUTNUMBER THE SAUDIS; AN UNSTABLE, RADICAL MARXIST REGIME IN SOUTH YEMEN; MARXIST ETHIOPIA; EVEN LIBYA, ALL OF WHICH ARE SUPPORTED HEAVILY WITH SOVIET MILITARY EQUIPMENT. THE NUMBERS AND TYPES OF MISSILES WE ARE PROPOSING TO SELL SAUDI ARABIA HAVE BEEN CAREFULLY CALCULATED AND VALIDATED BY OUR MILITARY, USING OUR REQUIREMENTS FORMULAE AND OUR INTELLIGENCE ASSESSMENTS, TO BE THE MOST APPROPRIATE AND THE MINIMUM REQUIRED TO MEET THE MOST STRESSING THREAT SCENARIO WE CAN ENVISION FOR 1991 AND BEYOND, WHEN ALL THE WEAPONS WILL HAVE BEEN DELIVERED. WITHOUT THIS FOLLOW-ON SALE, THE SAUDIS WILL NOT BE ABLE TO MEET THAT THREAT. I WANT TO EMPHASIZE THAT IDENTICAL OR SIMILAR WEAPONS HAVE BEEN IN SAUDI INVENTORIES FOR YEARS -- WE ARE NOT INTRODUCING ANY NEW CAPABILITY IN THE REGION.

THERE HAVE BEEN ALLEGATIONS MADE THAT THIS SALE IS IN SOME WAY "EXCESSIVE," EITHER IN TERMS OF THE ACTUAL MISSILES THEMSELVES OR IN THE CONTEXT OF OUR OVERALL ARMS SUPPLY RELATIONSHIP. LET ME ADDRESS BOTH POINTS:

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- FIRST, THE CLAIM THAT THIS SALE WOULD RESULT IN THE SAUDIS HAVING 37 MISSILES FOR EVERY CAPABLE AIRCRAFT. THIS CALCULATION IS BOTH IRRELEVANT AND MISLEADING. AIR DEFENSE MISSILE REQUIREMENTS ARE NOT CALCULATED ON THE BASIS OF HOW MANY PLATFORMS ARE AVAILABLE, BUT ON THE BASIS OF HOW MANY THREAT AIRCRAFT NEED TO BE DEFENDED AGAINST. NEVERTHELESS, BECAUSE THIS SO-CALLED "MISSILE-TO-AIRCRAFT" RATIO SEEMS TO HAVE GAINED SOME CURRENCY ON CAPITAL HILL, WE HAVE RUN SUCH A CALCULATION AND DETERMINED THAT EVEN AFTER THESE MISSILES ARE FULLY DELIVERED IN 1991, THE SAUDIS WILL, AFTER APPROPRIATE ALLOWANCES ARE MADE FOR ATTRITION, OBSOLESCENCE, TRAINING CONSUMPTION, MAINTENANCE ROTATION, POSSESS A REASONABLE QUANTITY OF MISSILES PER AIRCRAFT, ROUGHLY COMPARABLE TO OUR OWN INVENTORIES AND THOSE OF ISRAEL. THE NUMBER REMAINS IN THE SINGLE DIGITS, NOWHERE NEAR 37:1. GIVEN THE FACT THAT SAUDI ARABIA, UNLIKE THE U.S. AND ISRAEL, HAS NO INDIGENOUS SOURCE OF RESUPPLY, WERE THAT RATIO RELEVANT, ONE MIGHT BE CONCERNED THAT THEY DID NOT HAVE ENOUGH MISSILES.

- SECOND, THE CHARGE IS MADE THAT THIS SALE SIMPLY ADDS TO THE ALREADY EXCESSIVE AMOUNTS OF ARMS WE HAVE SOLD THE SAUDIS OVER THE YEARS, ADDING TO A MASSIVE ARAB ARMS CACHE THAT WILL FAN THE FLAMES OF THE NEXT MIDDLE EAST CONFLICT. SAUDI ARABIA IS OUR LARGEST ARMS CUSTOMER, IT IS CHARGED, AND IT IS TRUE THAT FROM 1953 THROUGH THE END OF THE LAST FISCAL YEAR, WE SOLD THE SAUDIS JUST UNDER 50 BILLION DOLLARS IN DEFENSE ARTICLES AND

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SERVICES. HOWEVER, THAT FIGURE CHANGES DRAMATICALLY IF YOU APPLY A LITTLE ANALYSIS. LESS THAN TEN PERCENT OF THE TOTAL, SOME $4.8 BILLION, WAS FOR THE PURCHASE OF ACTUAL WEAPONS AND AMMUNITION. OVER TWO-THIRDS, SOME $33.7 BILLION WENT FOR SUPPORT SERVICES SUCH AS CONSTRUCTION, REPAIR, SUPPLY OPERATIONS, AND TRAINING. CONSTRUCTION ALONE HAS ACCOUNTED FOR OVER $20 BILLION. IN THAT CONTEXT, OUR DECISIONS TO SUPPORT SAUDI ARMS REQUESTS CANNOT BE SEEN AS EXCESSIVE. THEY ARE CAREFULLY SCRUTINIZED, MILITARILY JUSTIFIABLE, AND CONTRIBUTE TO, RATHER THAN UPSET, REGIONAL STABILITY.

MUCH HAS BEEN SAID ABOUT THE DANGER OF U.S. WEAPONS, PARTICULARLY STINGER, FALLING INTO THE HANDS OF TERRORISTS. FIRST, LET ME SAY THAT SAUDI ARABIA'S RECORD IN PROTECTING THE WEAPONS WE HAVE SOLD THEM OVER THE YEARS IS IMPECCABLE. THE SAUDIS TAKE VERY SERIOUSLY THEIR COMMITMENT, WHICH THEY REAFFIRM IN EVERY ARMS TRANSACTION THEY MAKE WITH US, THAT THEY WILL NOT TRANSFER THE EQUIPMENT OR INFORMATION TO ANY OTHER GOVERNMENT WITHOUT OUR PERMISSION. NO ALLEGATION TO THE CONTRARY HAS EVER WITHSTOOD INVESTIGATION. AS RECENTLY REPORTED BY THE GENERAL ACCOUNTING OFFICE, OUR MILITARY TRAINING MISSION IN RIYADH FINDS SAUDI SECURITY CONTROLS OVER MUNITIONS AT LEAST AS GOOD AND FREQUENTLY BETTER THAN OUR OWN. FOR ESPECIALLY SENSITIVE WEAPONS, SUCH AS STINGER AND THE AIM-9L, THE SAUDIS HAVE ACCEPTED EVEN MORE STRINGENT SECURITY REQUIREMENTS, INCLUDING U.S. ACCESS AND SURVEILLANCE AND SEPARATE STORAGE OF KEY COMPONENTS. THE STINGER MISSILE MUST BE STORED APART FROM ITS

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LAUNCHER, THUS MAKING UNAUTHORIZED ACCESS TO A COMPLETE, USABLE WEAPON THAT MUCH MORE UNLIKELY. WHILE THE BASIC STINGER IS AN EFFECTIVE POINT DEFENSE WEAPON AGAINST ATTACKING AIRCRAFT, IT IS NOT THE IDEAL TERRORIST TOOL THAT SOME HAVE CLAIMED. THE STINGER MISSILE ITSELF IS FIVE FEET LONG, MAKING IT RATHER DIFFICULT TO SNEAK PAST AIRPORT SECURITY CONTROLS. IT REQUIRES 136 HOURS OF TRAINING BEFORE IT CAN BE PROPERLY OPERATED. THE SAUDIS HAVE NOT LOST A SINGLE REDEYE MISSILE, THE PREDECESSOR TO STINGER, FOR NEARLY TEN YEARS IT HAS BEEN IN THEIR INVENTORY. WHILE REDEYE DOES NOT HAVE ALL THE STINGER'SSTINGER'S CAPABILITY, I SHOULD THINK IT MATTERS VERY LITTLE TO THE DEDICATED TERRORIST WHETHER HE SHOOTS DOWN AN AIRLINER WHILE IT IS LANDING OR TAKING OFF. THE REAL TERRORIST THREAT TO CIVIL AVIATION IN THE MIDDLE EAST COMES FROM THE THOUSANDS OF SOVIET SA-7'S, WHICH ARE MORE READILY CONCEALABLE, REQUIRE LESS TRAINING TO OPERATE, AND HAVE A LARGER EXPLOSIVE WARHEAD THAN STINGER.

IN CLOSING, I WANT TO PUT THIS PARTICULAR SALE INTO CONTEXT. IT IS IN THE U.S. NATIONAL INTEREST THAT WE CONTINUE OUR TRADITIONAL ROLE AS THE PRINCIPAL ARMS SUPPLIER TO SAUDI ARABIA. THAT ROLE HAS, OVER THE DECADES, GIVEN US A SPECIAL POSITION WITH THE SAUDI MILITARY: THEY HAVE LARGELY COMMON EQUIPMENT, TRAIN AND GO TO SCHOOL IN THE STATES, FOLLOW OUR MILITARY DOCTRINE, SEEK OUR ADVICE. A U.S. GENERAL OFFICER CARRIES THE TITLE OF "SENIOR MILITARY ADVISOR" TO THE SAUDI MINISTER OF DEFENSE AND AVIATION. I SEE NO BENEFIT TO THE U.S. IF WE

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ABDICATE THAT SPECIAL POSITION TO EUROPEAN OR OTHER ARMS SUPPLIERS. I WILL NOT PRETEND THAT THE SAUDIS HAVE EVER AGREED TO BUY WEAPONS AND AMMUNITION FOR USE BY OUR MILITARY FORCES IN THE MIDDLE EAST, BUT I AM CONFIDENT THAT THEY WOULD BE AVAILABLE IF REQUIRED. IT IS IN OUR INTEREST, SHOULD GENERAL CRIST EVER HAVE TO DEPLOY HIS CENTRAL COMMAND FORCES TO THE ARABIAN PENINSULA, THAT THE SYSTEMS AND OPERATIONAL CONCEPTS BE COMPATIBLE. MORE IMPORTANTLY, IT IS IN OUR INTEREST THAT THERE BE A STRONG SAUDI ARABIA CAPABLE OF DETERRING AGGRESSION AND DEFENDING ITSELFAGAINST REGIONAL THREATS, BECAUSE THAT MAKES IT LESS LIKELY THAT WE EVER WILL HAVE TO DEPLOY AMERICAN FORCES TO THE REGION.

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Mr. HAMILTON. The Chair has a letter from Secretary of State Shultz on this issue, dated April 22, 1986.

Without objection, that letter will be made a part of the record.

[The full text of Secretary Shultz' letter follows:]

THE SECRETARY OF STATE,
Washington, April 22, 1986.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House of Representatives.

DEAR MR. CHAIRMAN: As your Subcommittee will be moving soon to consider the issue, I am writing to underscore the importance the Administration attaches to the proposed sale of missiles to Saudi Arabia. Our failure to complete this sale would greatly damage our national interest.

For more than three decades the United States has had a mutually beneficial security relationship with Saudi Arabia. In view of the recent disturbing developments in the Iran-Iraq war and in South Yemen, strong continued U.S. support for Saudi self defense is particularly important. This sale will send clear political signals: to Iran, to deter expansion of its war with Iraq; to Saudi Arabia and other moderate Arab states, to bolster their resolve and to reaffirm our reliability and credibility as a security partner. The missiles in this sale will enable the Saudis to meet threats that their country can face in the future.

We advance important U.S. objectives in the strategically important Persian Gulf region by helping Saudi Arabia defend itself. The Saudis and the other GCC states are the first line of defense in this area that contains 60 percent of the non-Communist world's proven oil reserves. We are committed to ensuring the free flow of this oil, to supporting the security of our moderate Arab friends, and to opposing the spread of radicalization and Soviet expansion into this area. A strong Arab defense capability will sharply reduce the chances that the U.S. would have to intervene directly to support these vital U.S. interests.

As Dick Murphy stressed in his testimony Thursday before the Senate Foreign Relations Committee, the U.S. must be able to carry out a balanced policy in the Middle East. A fundamental commitment to Israel's security and well-being has long been a constant in our Middle East policy. At the same time, throughout the post-World War II period we have maintained close ties with pro-Western Arab states. Efforts to block all arms salesto moderate Arab states, simply because they have not been perceived as totally supportive of our efforts in peace process, can make that balanced policy impossible and the attainment of peace all the more difficult. This is neither in our interest, nor, I would submit, that of Israel. Particularly at a time when Qadhafi an Khomeini are trying to radicalize the Arab and Muslim world, our moderate friends in the area need our support, not our rejection.

I hope you will consider carefully our case, and decide to oppose a resolution of disapproval.

Sincerely yours,

GEORGE P. SHULTZ.

Mr. HAMILTON. Mr. Lantos.

CIA DIRECTOR CASEY'S REMARKS ON SAUDI SUPPORT FOR PLO

Mr. LANTOS. Thank you very much, Mr. Chairman.

Mr. Secretary, what is your comment about Director Casey's observation that the Saudis are paying lipservice on the PLO issue?

Mr. MURPHY. Mr. Congressman, I was not at the AIPAC dinner where I understand that the statement——

Mr. LANTOS. Nor was I.

Mr. MURPHY [continuing]. Was made.

Mr. LANTOS. But it was reported.

Mr. MURPHY. I got the transcript of Mr. Casey's speech. It did not include that statement, so I really, without having any context as to the question he was answering or how it was put, would not want to comment.

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Mr. LANTOS. Well, assuming he made the statement, what would be your reaction to it? Because there was never——

Mr. MURPHY. Could you restate the lipservice part? How did that go?

Mr. LANTOS. You have the transcript there? I do not.

Mr. MURPHY. Well, I have Congressman Levine's statement here, all right that on April 7 the Post reported that Mr. Casey said in a speech that Saudi Arabia had paid "lipservice" to U.S. concerns about its funding of the PLO and that Saudi leaders support the PLO and other terrorist-linked groups.

Well, I would not use—and I am not saying he said this, so let us start from just the proposition. Somebody had these words down.

Mr. LANTOS. You would not doubt the veracity of the Post?

Mr. MURPHY. Not on a daily basis, Congressman, no. [Laughter.]

That—no; the Saudi Arabians would not pay lipservice to our concerns about funding the PLO because they feel themselves obliged and they, quite on their own volition, fund the PLO. They do not share our concerns about the PLO. What they have tried to do over the years in this funding—and it does run at, the $85 million level, which is the commitment they had at the Baghdad summit in 1979 to fund the PLO. They have tried to steer that money to the mainline Fatah, which is the same organization that King Hussein spent the whole of 1985 trying to find a way through his challenge to them to bring into the peace process.

They have avoided funding of the extremist groups that operate under the name of the PLO based in Damascus, and they have seen their assistance as going for the purposes of supporting the PLO's political efforts and its support efforts of the families in the camps.

Now, they are not apologetic. I guess that is the point I am trying to make. So, the term "lipservice to our concerns"—they do not feel apologetic about funding the PLO, which they accept as other Arabs as the sole legitimate representative. That is not our policy; that is theirs.

And they do not see the whole PLO as terrorist in its orientation. They see it as an umbrella group that includes a range from the most conservative professionals to the most radical terrorists and gangsters, all operating under the same general umbrella.

LACK OF SAUDI SUPPORT FOR EGYPT

Mr. LANTOS. Mr. Secretary, Egypt is economically on the ropes for a whole lot of reasons. Egyptian tourism is in shambles; oil revenues are down; Egyptian workers' remittances are way down; there is turmoil; we had the uprising of the police.

The Saudis are still not doing anything for Egypt, either economically or in any other perceptible manner. There is no Saudi Ambassador in Cairo, I believe. Egypt is desperately in need of aid; the Saudis despite the low oil prices have vast, vast resources.

Why are they not helping Egypt after all these years?

Mr. MURPHY. You mentioned the police riots, Congressman. I think there was an interesting break in past public—and I emphasize "public"—contact between Saudi Arabia and Egypt at that point in time. You had an official Saudi Government statement issued of concern and sympathy for the Egyptian leadership over

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the turmoil surrounding the riots. You had the publicity given to a phone call to President Mubarak from Crown Prince Abdallah, a definite political gesture of support and unusual in the public domain.

In terms of economic assistance, there has been no official assistance, since relations were severed after the Arab summit decision in 1979. Now the Saudis, as I have referred to, have been working to restore Egypt to the role that they wanted—and which is a leadership role in the Arab World. Egypt is a moderate power, and Saudi Arabia wants to encourage other moderates to play their roles. They have not taken the step of restoring relations as Hussein did in 1983.

But, again, the way they have worked is to continue——

Mr. LANTOS. Would they not be in a much better position than Hussein? Are they not in a much stronger position than Hussein?

ARAB CONSENSUS ON EGYPT

Mr. MURPHY. If it was not for their political commitment to the Arab consensus, which does drive their foreign policy.

Mr. LANTOS. What Arab consensus?

Mr. MURPHY. The Arab consensus that Egypt should not have split ranks in 1979 and signed the separate peace treaty.

Mr. LANTOS. That no longer is a consensus, because Hussein has restored relations.

Mr. MURPHY. That is right, and some never did break, but Saudi Arabia did, and it believed that relations should be restored through the Arab Summit that was the scene of its breaking relations 7 years ago.

SAUDI-EGYPTIAN RELATIONS

Today, there is a Saudi interests section in Cairo, which is larger than most Saudi embassies.

I know of no formal economic assistance, but there is certainly no bar to Egyptian investment, to Saudi investment in the Egyptian economy.

And there is a fair trafficking back and forth, a visiting back and forth between the two countries.

Mr. LANTOS. Thank you, Mr. Chairman.

Mr. HAMILTON. Mr. Smith of New Jersey.

INTERNAL STABILITY OF SAUDI ARABIA

Mr. SMITH of New Jersey. Thank you, Mr. Chairman.

Mr. Chairman, first of all, I want to say that I am one of the cosponsors of H.J. Res. 589, and I do believe that it is not a wise idea at this particular time to be selling sophisticated missiles to the Saudis.

But I do have some questions, Mr. Murphy, that I would like to address to you. First, there are from time to time reports that Saudi Arabia is having domestic, political problems and tensions, and I would like to know what your assessment is of the stability of the House of Saud, of the internal government within Saudi Arabia.

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We know every year, for instance, that some 150,000 Iranians visit Mecca, that there is a constant infusion of other Arab personnel coming into that country, which could lead to unrest and even which could permit assassins and others to come into the country.

What is the stability of the government?

Mr. MURPHY. I think the very event you cite, Congressman, contains the answer. The stability of the government is good. The fact that over a million foreign pilgrims come into the country at that peak year on the religious calendar—the peak point in the religious calendar for the pilgrimage underlines the fact that they have been able to assure the security of the country.

The only incident, I think, looking back over all the years with which I have been associated—and they go back to 1963 in my first service in Saudi Arabia—the only moment of any question about stability was when some extremists, fundamentalists seized the Grand Mosque in Mecca in 1979, and there was a shootout until the Government restored control.

The Government did restore control. There were no ripple effects across the country, and there has never been a repetition of that incident.

SAUDI SECURITY MEASURES FOR UNITED STATES-SOLD MILITARY EQUIPMENT

Mr. SMITH of New Jersey. How would you rate the physical security of U.S.-sold missiles and military hardware?

Mr. MURPHY. I would rate it as superior to—well, they have had a spotless record. Mr. Pelletreau can perhaps discuss the specific measures if you are interested that we have gotten regarding the storage of Stinger; but unlike the situation in some European capitals, our European defense establishments where equipment has walked, it has never walked in Saudi Arabia.

Mr. SMITH of New Jersey. Mr. Pelletreau, did you want to comment on that?

STATEMENT OF ROBERT N. PELLETREAU, DEPUTY ASSISTANT SECRETARY FOR NEAR EASTERN AND SOUTH ASIAN AFFAIRS, DEPARTMENT OF DEFENSE

Mr. PELLETREAU. Let me just add to that that the Saudis have had, in their inventory, the predecessor to the Stinger—the Redeye missile—for over 10 years, and there has not been a single case of any diversion of that missile.

Nevertheless, we have insisted with Saudi Arabia on developing special security arrangements for the storage of the Stinger, the main features of which are that the launchers will be stored separately from the missiles; they will each be stored in facilities that have been especially designed, in terms of their concrete structure—the fencing, the lighting, the guards around them. There will be dual-key access to each area; and we will have the right of random inspection of these facilities to be able to ensure, at any time, that the inventories are full.

I can go into more detail if you like, but we believe——

Mr. SMITH of New Jersey. Do you foresee any problem with other Third World countries, like Pakistan, gaining access to the military

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equipment we would sell to the Saudis, or are they pretty much kept out of the loop?

Mr. MURPHY. In this particular domain, we have agreed that third country nationals will not have access to the storage areas of Stinger missiles.

Mr. SMITH of New Jersey. OK. Thank you, Mr. Chairman.

Mr. HAMILTON. Mr. Torricelli.

SUPPORT FOR APRIL 15 UNITED STATES RAID ON LIBYA

Mr. TORRICELLI. Thank you, Mr. Chairman.

Mr. Murphy, let me, as one more member, add my own congratulations to the administration on the actions of last week. None of us take any delight in military force of the United States ever having to be used; but, in fact, if ever there was a time when it was appropriate, this was that instance.

Mr. MURPHY. Thank you.

SAUDI ASSISTANCE TO THE PLO

Mr. TORRICELLI. As pleased as we were with the administration's actions, I think it could be equally said that we were disturbed by the failure of our European allies to act in concert; and in fact, instances of hypocrisy.

It is that failure and my frustration that I would like to focus on for a moment, and being certain that our country is not victim to the same failures.

As the administration speaks with a united concert against terrorism in the Middle East, we have to face the inevitable conflicts in our own policy, the obvious one being the concern of the Saudi relationship with the PLO.

Could you comment on your feeling about the current level of Saudi assistance to the PLO?

Mr. MURPHY. Well, the public figures were that $85 million a year goes to the PLO from Saudi Arabia. This is part of the commitment that a number of Arab countries, the oil-producing states, made in 1979 to the PLO, to Syria, and to Jordan.

The Saudis have consistently met those payments to all three. They have seen that as a way of keeping channels of communication open, and for whatever influence it can bring.

Now how do the Saudis regard the PLO in concert with the other Arab states—it is as the legitimate political representative, the sole one of the Palestinians. So, they have supported Hussein in his efforts to get the PLO into the peace process.

Now, the PLO, as represented by Fatah, the Chairman Yasir Arafat. They said, back in 1983, when the first talks went on between Hussein in 1980 and the PLO, and then again this year, when they broke down finally in February, that there should be unity between Jordan and the PLO, and that they would support whatever agreement Hussein could work out.

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INCONSISTENCY OF U.S. POLICY WITH RESPECT TO THE SALE

Mr. TORRICELLI. Mr. Murphy, in the current crisis, however, what I wanted to explore is the possible inconsistencies of our policy.

Is the administration rightfully saying to the Europeans, "You should not trade; you should not sell weapons to those who are engaged in terrorism"?

If you were a European leader, would you not point back to the United States and say, "Really, Mr. President, and you are selling weapons to a country which is sending $85 million in assistance to the PLO, the world's leading terrorist organization."

My point to you is, as one who believes in the administration's actions of last week, I think we are profoundly weakening our case with our European allies if the United States is going to pursue the sale of arms to nations which are providing direct subsidies to terrorism.

It would appear that the Europeans have no monopoly on the inconsistencies of their policies. And I think that is a real weakness in what we are doing, and I would make that suggestion to you.

I invite your response.

JUSTIFICATION FOR THE SALE

Mr. MURPHY. Congressman, the Saudis do not see themselves as supporting terrorism in supporting the PLO. That is an equation they simply do not make.

Mr. TORRICELLI. They do not, but our President has equated the PLO with terrorism, and I think that is a fair representation of the President's views.

Mr. MURPHY. Our President has argued for this sale very strongly, saying, "This is in the U.S. national interest that we make this sale." And he has put emphasis on the need to provide deterrence and a signal—first of all, a political signal—to Tehran, and, second, to ensure that in the Saudi inventory there is the weaponry needed to defend itself and the gulf, its colleagues in the Gulf Cooperation Council.

I do not think that is inconsistent; but what it does show is if we regard our relationship with Saudi Arabia solely in the optic of what the Saudis may do or may not do in the Arab-Israeli peace process, we are missing a whole other dimension of Saudi-American ties, and it is very much, we believe, in our interest.

Mr. TORRICELLI. Mr. Murphy, we have a common fight, increasingly all citizens of our country have a common fight against terrorism. My concern is whether for the sake of a political statement to Saudi Arabia we are not weakening our case to the world about terrorism, building a case for those who would also like dual standards.

DOES THE SALE ALTER THE BALANCE OF POWER IN THE REGION

My time has expired. Let me just, Mr. Murphy, further inquire, if the chairman would permit me—do you believe that this sale alters the balance of power in the region or significantly impacts Saudi Arabia's military capabilities?

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Mr. MURPHY. No, sir. I do not, because I look at it over the timeline of—first deliveries, 1989, completed in 1991, by which time, if—and we could spread out the analyses of the strength and number of missiles per aircraft, et cetera, it will not, in any way, degrade Israel's qualitative edge; it will not disturb the arms balance in the region.

CONGRESSIONAL CONCERN FOR SAUDI SECURITY

Mr. TORRICELLI. Mr. Murphy, the reason I asked that question is that there is a legitimate concern in this Congress for Saudi security. It is perhaps another of the inconsistencies and ironies of the Middle East that those who are most concerned for the security of Israel and the security of our own country, and the region, need to watch the Iranian situation—and the Iranian-Saudi military balance.

But my concern is that this arms sale, rather than perhaps addressing that vulnerability to Iranian military strike, instead is adding to what strength the Saudi military already possesses, and it already has strong qualitative and quantitative advantages over Iran in air defense and its missile capabilities.

SAUDI LACK OF GROUND DEFENSE AGAINST AN IRANIAN ASSAULT

But where it is lacking is on the ability on the ground to defend against an Iranian assault.

So, we are adding to the Saudi military capability in its one area of competition with Israel in the air, but really doing nothing about the fundamental weaknesses with regard to an Iranian military assault. That is the kind of arms sale that I had hoped the administration would propose, one that addressed this genuine vulnerability rather than addressing the one area of real strength.

Mr. MURPHY. I will again comment, and I am sure Mr. Pelletreau will have more specific comments.

STRENGTH OF THE IRANIAN AIR FORCE

I would say this: The Iranian Air Force should not be written off as a totally defunct outfit. We estimate some 80 to 90, 80 to 100 flyable combat aircraft today, still able to administer considerable damage to those very vulnerable installations along the gulf.

Mr. TORRICELLI. But, sir, grant me this, if you would: If you had to look at the one area in comparing the armed forces of Iran and Saudi Arabia, you would concede that Saudi Arabia's advantages currently would be in aircraft, comparing their naval ground air forces. The principal Saudi advantage at the moment is in the air; their principal weaknesses would be on the ground; and yet arms sales contributes to their area of advantage rather than their area of vulnerability.

And I do not think among reasonable people those facts can be argued. That may make sense from your perspective, but I think those are the facts as they are.

Mr. MURPHY. I think, Mr. Torricelli, the threats that they are most concerned about are the threats of air strikes against vital oil installations, vital military installations, vital population centers.

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And these are sometimes inland. It does not mean there is not a ground threat, but there is a threat that they see as being very significant in the air; it comes both from aircraft and from attack helicopters; and the Iranians have quite a substantial number of attack helicopters—around 90 right now.

Mr. HAMILTON. Thank you. Mr. Gilman.

CONSIDERATION OF OTHER ARMS SALES TO SAUDI ARABIA

Mr. GILMAN. Thank you, Mr. Chairman.

Mr. Murphy, what is the status of other possible arms sales to Saudi Arabia? Are there some others being considered at the present time?

Mr. MURPHY. No, sir. Given the calendar, it is our estimation that following on this sale and this to date, we would have the discussion and exchanges on the AWACS' certification and that there would be no other major weapons system proposed in the course of this year.

Mr. GILMAN. Is there any proposal for the sale of F-15's up the road?

Mr. MURPHY. No, sir. There is no proposal. They have not abandoned their interest in the F-15's, but having purchased the 72 Tornados last year, or made a commitment last fall, that is not an active request.

Mr. GILMAN. Is there any proposal for an F-15 enhancement package?

Mr. MURPHY. There was that proposal 2 years back—the enhancement package and a number of other items. I do not expect that that will be pursued in the course of this year, but it is out there as a definite Saudi interest.

AWACS' DELIVERY

Mr. GILMAN. With regard to the AWACS, what is the proposed timing on the AWACS' delivery?

Mr. MURPHY. We are waiting for the final details to be worked out which would allow the President to come forward with certification, as he committed himself to then-Senator Baker in the fall of 1981, looking toward an initial delivery of AWACS in midyear. I do not have it more precise.

Mr. PELLETREAU. The contract calls for the first AWACS to be delivered to the U.S. Air Force by the end of June, and we understand from Boeing that they are on track for that.

REQUIRED REPORT ON THE AWACS SALE

Mr. GILMAN. When will we see the report on the AWACS sale that was promised prior to its delivery?

Mr. MURPHY. I would think weeks before the delivery, sir. We will be prepared very shortly with the final details about certain security arrangements on the equipment. As soon as those are in hand, we would come up with that certification.

Mr. GILMAN. So, that would be some time before mid-May?

Mr. MURPHY. Midsummer, Congressman.

Mr. GILMAN. But prior to delivery.

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Mr. MURPHY. Oh, absolutely. That is the commitment.

Mr. GILMAN. And have you determined that the Saudis have complied with the provisions that were set out in the President's letter to Senator Baker that was issued just before the AWACS vote?

Mr. MURPHY. We are satisfied that the Saudis will have fully complied and that the President will have no difficulty in certifying their compliance. But it will certainly be done before the delivery.

Mr. GILMAN. Delivery could be made some time in June. Is that what you are saying?

Mr. MURPHY. At the earliest.

COMPATIBILITY OF U.S. MISSILES WITH THE TORNADOS

Mr. GILMAN. Will the Saudis be able to use the missiles that we are talking about on the Tornados and other non-United States airplanes in their arsenal?

Mr. PELLETREAU. There is no restriction from the point of view of a political restriction on them using the missiles on the Tornados. They will be able to be used on the Tornado. They will be compatible.

Mr. GILMAN. What is the importance of buying missiles manufactured in the United States?

IMPORTANCE OF BUYING U.S. MISSILES

Mr. MURPHY. What is the importance?

Mr. GILMAN. To the Saudis?

Mr. MURPHY. I think the question is, Congressman, what is the importance of the Saudi/United States military relationship overall.

I mentioned that I first arrived there in March 1963, and among my responsibilities was our political military relationship and the role of our military mission, which is headquartered in Dhahran. That has been operating now since the early fifties.

The training, the interchange of Saudi and American personnel over this 30 years I think has been of inestimable importance to us as a country in keeping a substantial measure of influence over Saudi military doctrine.

SAUDI PURCHASE OF SIMILAR MISSILES ELSEWHERE

Mr. GILMAN. Would they be able to purchase similar missiles elsewhere?

Mr. MURPHY. I cannot speak to the missiles, Congressman, but I think that is one aspect of the presentation Congressman Levine made which was omitted. And that troubles me. The Saudis do have alternatives, as they showed us last year, when they moved to the British for the purchase of the Tornado aircraft. They do have alternatives. They have the financing to move out.

And when they move out to other sellers, they move to markets that are only interested in a commercial sale. They do not attach—they do not talk about restrictions on basing, or there is no concern about the regional arms balance. I wish there were. But I think we

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are the only country operating in the Middle East arms sales field that engages itself with those issues.

And we lose each time we give up one of these sales. We lose that measure of influence.

Mr. GILMAN. Well, is our major concern that in giving up this sale we would lose some leverage with the Saudis?

Mr. MURPHY. There are other considerations. They may not be ones that are aired perhaps in this committee, but the commercial considerations—they are there. That was 12 billion dollars' worth as we estimated at a minimum over the 20 years.

But we do feel basically that Saudi Arabia has a role to play in defense of the gulf, in its self-defense, and that it is in our interest that it plays the role rather than circumstances in which we might be called in to do the defending for it.

DELIVERY OF THE MISSILES

Mr. GILMAN. If we approve this sale, when would the missiles be delivered?

Mr. MURPHY. At a minimum—the earliest 1989, the latest it is completed in 1991.

ASSESSMENT OF THE COUP IN SOUTH YEMEN

Mr. GILMAN. Could you tell us what your assessment is of the coup in South Yemen and its implications for Saudi Arabia and regional security?

Mr. MURPHY. The coup in South Yemen brought back a harder line leadership than that of Ali Nasir Muhammad, who was thrown out in January. It is a leadership who has yet to prove itself what it is going to be doing, but its hostility—the former leadership—that is, before Ali Nasir Muhammad's—has been working against the Omanis in the revolt in the Dhofar Province, had been working against north Yemen, and constituted a threat to stability in the southern peninsula.

How this one is going to behave is yet to be seen. There was an enormous amount of destruction, killing, during the coup by all accounts. And while it rushed out to tell the Sultan of Oman and to tell the Saudis, "don't worry, we believe in good neighborly policies," it is early to say.

They could be—they are among the threats, potential threats, to Saudi Arabia in the southwestern sector.

SOUTH YEMEN AIR FORCE

Mr. GILMAN. Does South Yemen have a substantial air force?

Mr. PELLETREAU. It does have an air force. It has Migs. I do not have the exact number of Mig-21's and Mig-23's in their inventory. We would be happy to provide that though.

Mr. GILMAN. Thank you. And if you could provide that, Mr. Chairman, I would like to ask it be made part of the record at this point in the record.

Mr. HAMILTON. Without objection, so ordered.[1]

[1] The material was submitted on a classified basis and is retained in committee files.

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Mr. GILMAN. Thank you, Mr. Chairman.
Mr. HAMILTON. Mr. Smith.

NUMBER OF MISSILES IN SAUDI INVENTORY

Mr. SMITH of Florida. Thank you, Mr. Chairman.

Ambassador Murphy, you said last week at the Senate hearing and today again, Saudis will have 10 or fewer air to air missiles by 1991, as a ratio to aircraft. And you said in single digits.

We know, however, that Saudi Arabia has ordered well over 3,100 Sidewinders in the last few years and a large number of Sparrows. As far as I know, they have only used two. Delivery of another 1,670 would increase the total inventory to well over 4,700 missiles.

Since the Saudi air force will have no more than 225 combat aircraft in 1991, approximately, does the State Department believe the Saudis will throw away more than 2,000 missiles in the next 5 years?

Mr. MURPHY. You would never rely on the State Department for counting missiles. You have to rely on the Pentagon for that. But based on the information I have, that given the missiles that are or are going to be expended in training—and the Saudis do use more in this than we do in our own forces, use them up faster in training—given the numbers regularly out of service for maintenance and parts in Saudi Arabia, those returned to the United State for servicing, the wide range of operating locations where these would be stationed, given the types of planes, of targets, the probability of kill, the expired shelf life, the figure of single digit ratio is the conclusion that the Pentagon reached and stands by that.

Mr. SMITH of Florida. Well, what difference does it make where they are located? I heard that argument from the General last time, and that is really a dumbfounding argument.

The United States is 3,000 miles wide, and we have got troups all over the world. The Air Force maintains bases all over western Europe and in various places around the world. We do not discount the number of our missiles because they happen to be in Germany instead of in Oklahoma City.

What difference does it make where they are? Why do you use that as a reason for discounting the number missiles, that they are located in the different parts of Saudi Arabia?

Mr. MURPHY. Well, they divide up, they have different operating commands. And they have a command for facing in the eastern province, facing the east. They have the command in the southwest looking down at Yemen and——

Mr. SMITH of Florida. Well, I understand, but it is still the same number of missiles, correct? It does not make any difference where they are stationed. There are still the same number of missiles. Am I right or wrong?

Mr. MURPHY. Is your question—I mean do you question the number, the ratio as of 1991? That is what I was addressing.

Mr. SMITH of Florida. No.

Mr. MURPHY. The A-9, B—what is it? The 9-B, J and P? Do you use shelf life?

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Mr. SMITH of Florida. You used as one of the debilitating reductive facts the fact that the missiles are spread out all over Saudi Arabia. That is not a reductive factor. That is an operational factor, yes, but that does not reduce the number of missiles.

If I put 10,000 in Washington and one in New York, does that mean I have 9,999? No; it means I have 10,001. They just happen to be in different places.

Mr. MURPHY. All right. Then I should not introduce that into the mathematics. The mathematics say that as of 1991, there will be single digit ratios.

SAUDI EXPENDITURE OF SIDEWINDERS

Mr. SMITH of Florida. My mathematics do not add that up at all.

How many Sidewinders, if you know, and Mr. Pelletreau, if you know—how many Sidewinder missiles have they used, expended, in training or other military exercises in the last few years except for the two that they shot at the Iranian jets, which they downed in two strikes, two firings, two hits? How many have they used, and how much is the cost of the Sidewinder missile?

Mr. PELLETREAU. Well, they have not used others in combat.

Mr. SMITH of Florida. Training, Mr. Pelletreau. Mr. Murphy said they use them in training.

Mr. PELLETREAU. Yes, that is true.

NUMBER OF MISSILES USED IN TRAINING

Mr. SMITH of Florida. How many have they used in training?

Mr. PELLETREAU. I am not sure how many they have used in training, but normally a pilot would fire one or two live firings a year to maintain his full competence, if you had the missiles to be able to be fired.

COST OF THE SIDEWINDER

Mr. SMITH of Florida. How much are the Sidewinder missiles at this moment per missile?

Mr. PELLETREAU. The Sidewinder——

Mr. SMITH of Florida. In bulk, wholesale.

Mr. PELLETREAU. The Sidewinder is a generic term that refers to a number of types of air to air missile that we have manufactured beginning way back in the 1950's. If we look at——

Mr. SMITH of Florida. Let's make this easy, Mr. Pelletreau.

Mr. PELLETREAU. Yes.

Mr. SMITH of Florida. How much is each missile in the package that we are planning to sell to the Saudi Arabians that are labeled Sidewinder, as opposed to be labeled Harpoon or Stinger? I think that is an easy question to answer. Not what we manufactured in 1950.

Mr. PELLETREAU. The rough cost of a Sidewinder is about $72,000 a piece.

Mr. SMITH of Florida. Does the United States Air Force shoot Sidewinder missiles in training exercises at $72,000 each?

Mr. PELLETREAU. We are more likely to use simulators for simulated fire, but we do occasionally do live firing.

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Mr. SMITH of Florida. Don't we, the U.S. military, routinely upgrade our oldest Sidewinders?

Mr. PELLETREAU. Upgrade or retire. We retire some of the oldest ones——

Mr. SMITH of Florida. And then those are the ones——

Mr. PELLETREAU [continuing]. When their shelf life has expired.

SHELF-LIFE OF THE MISSILES

Mr. SMITH of Florida. What is the shelf life?

Mr. PELLETREAU. As a rough order of magnitude, it is about 12 years.

Mr. SMITH of Florida. Twelve years. Most of the Sidewinders that are the current crop that are in the Saudi arsenal are basically newer than 12 years, are they not?

Mr. PELLETREAU. Well, they will have some that will have exceeded that time frame by the 1991 period—some of the older versions.

Mr. SMITH of Florida. All right. Thank you, Mr. Chairman.

Mr. HAMILTON. Mr. Levine.

Mr. LEVINE. Thank you, Mr. Chairman.

PRESIDENT REAGAN'S LETTER TO SENATOR BAKER REGARDING THE AWACS

Mr. Ambassador, I have a sneaking suspicion that you and I will disagree on the meaning of some of these words, but just to have them on the record, I would like to read to you a paragraph from the letter that President Reagan wrote to Senator Baker on October 2, 1981, explaining part of the administration's rationale for the sale of AWACS to Saudi Arabia 5 years ago.

The President stated specifically in his letter to the Majority Leader at that time:

> In a broader sense by enhancing the perception of the United States as a reliable security partner, we improve the prospects for closer cooperation between ourselves and the Saudi government in working toward our common goal of a just and lasting peace in the region. Since assuming the responsibilities of the Presidency, I have been impressed by the increasingly constructive policy of Saudi Arabia in advancing the prospects for peace and stability in the Middle East.

This goes directly to the questions that we have been pursuing in the course of this hearing with regard to Saudi Arabia's specific assistance in that particular aspect of U.S. policy, other areas notwithstanding. And an explicit representation by the President of the United States is one of the major justifications for selling AWACS to Saudi Arabia 5 years ago over the objections of a significant number of members of both bodies of the U.S. Congress.

And at that point in time a number of members expressed a great deal of skepticism as to whether the Saudis would play a constructive role in the process. And I think what a number of us are saying today is that 5 years later, despite that explicit representation by the President of the United States, we see little to show for the President's representation in that particular area.

We have kind of gone through it back and forth, and I am not sure that it serves a point to belabor it. But I did feel that the record should reflect the very explicit recommendation and repre-

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sentation of the President at that point in time on that aspect of United States-Saudi relations.

Mr. MURPHY. At that point in time, Congressman, the President was in the first year of his administration. That letter was drafted, if I recall, some 4 to 5 months after the initial publication of the plan by then Crown Price Fahd, which a year later was adopted, essentially adopted, at the Arab Summit.

So, the President did express confidence, and he had every reason to express confidence, as he has every reason to be confident that in a few months' time he will be justified in certifying that the conditions on the AWACS sale have been met, because the Fahd plan, the Fez Summit Declaration—although, as I say, we have disagreed with elements of it—did represent a basic reformulation of the Arab approach to the peace process, that it expressed concern for security of all states in the area, picking up the language from the 1967 Security Council Resolution.

It was no longer a question of whether the Arabs would continue to say, "no peace with Israel, no recognition, no conciliation." It was how to get to peace with Israel.

And the President wrote in the wake of the unveiling of that effort, which continued through 1981, 1982, and finally was adopted at the Fez Summit in 1982.

The other efforts that the kingdom has made on behalf of peace, certainly in the Iran-Iraq war, certainly in the cease-fire efforts in Lebanon, 1983—1982, 1983—those are well documented.

SAUDI SUPPORT FOR AMERICAN PEACE INITIATIVES

Mr. LEVINE. Well, Mr. Ambassador, the administration's very own White Paper confirms the suspicions of critics that Saudi Arabia has failed to support American peace initiatives in the region. And the language it uses is that the Saudis have scrupulously avoided opposing our peace efforts, which in fact is very similar to the language that you use in your testimony.

And I guess I have a difficult time believing and accepting the notion that by scrupulously avoiding actively opposing our efforts somehow that implies any sort of support. Some of this is how language is used, but in most instances when you ask, did somebody support something, yes or no, avoiding opposing them is not quite the same as supporting. So, I guess to a certain extent it depends upon the light you put on it.

What about, for example, Saudi opposition of the May 17 Lebanon Accord and Saudi opposition to the Camp David Accords, which are both regarded by the United States as the cornerstone for further progress toward peace?

And I guess my underlying concern in this general area of verbiage is when will Saudi nonopposition cease to be the measure of Saudi's support? At some point in time we ought to look for support rather than simply nonopposition.

Mr. MURPHY. I think you see the support, Congressman, in the Saudi attitude toward the efforts of King Hussein to work out an arrangement with the PLO that could bring the PLO into the peace process under conditions acceptable to all other parties.

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The Saudis did oppose us on Camp David, as did the majority if the Arab states, because they said, that is going to lead to a separate peace between Egypt and Israel and not advance a general peace. We disagreed with them, and we have continued to see Camp David and the peace treaty as the first step in what we hope will soon be an expanding peace process.

They did not oppose us in Lebanon. I was involved. I was Ambassador to Saudi Arabia at that point in time. They did not oppose the May 17 agreement. They were not sure it was going to work, but it was not for them, as they said, to step up and say that must be. That was an agreement between Lebanon and Israel. And if that could work, fine. They doubted that it would work, but that was very private.

SAUDI SUPPORT FOR JORDAN

Mr. LEVINE. In the context of their asserted support for King Hussein, what explains press reports, for example, in a New York Times report on August 10, 1985 that Saudi Arabia and Kuwait oppose the statement of the meeting of Arab leaders endorsing or accepting a Jordanian-Palestinian accord because Syria opposed it? What accounts for the repeated press reports that Saudi Arabia hewed to the Syrian line in being uncooperative with King Hussein rather than the contrary?

Mr. MURPHY. Well, I think the facts are just the opposite. The facts that they continue their financial support for King Hussein after he resumed relations with Egypt, they sent their ambassador to attend the opening of the Palestine National Council meeting in Amman, Jordan, when he made his political challenge to the PLO over explicit Syrian opposition.

They have hewed to an independent line on that.

Mr. LEVINE. On these policies of support, am I not correct in understanding that the Arab support fund, to which Saudi Arabia is the biggest contributor and which is the basis for these payments that they are making to Syria, Jordan and the PLO, was a fund that was established in 1979 to essentially keep so-called front line Arab states from joining negotiations with Israel and for punishing Egypt for the Camp David negotiations? Wasn't that the genesis of this fund?

Mr. MURPHY. The genesis of it was to support what was considered the confrontation parties, yes, in the confrontation with Israel.

Mr. HAMILTON. The gentleman's time has run out. Does he have any further questions?

Mr. LEVINE. I just have one, Mr. Chairman. Thank you.

Mr. HAMILTON. Go ahead.

REPORTS OF SAUDI OFFER OF ASSISTANCE TO LIBYA AFTER GULF OF SIDRA

Mr. LEVINE. I do not know whether this is accurate or not, Mr. Ambassador, but it was reported that after the Gulf of Sidra incident King Fahd reportedly called Qadhafi to offer Saudi assistance and promised Libya to make up any Libyan losses in the case of a boycott. Is there anything to that report?

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Mr. MURPHY. Congressman, I have learned when I hear such reports to try to check them out as carefully and thoroughly as possible. I did check that one out. That report is datelined Tripoli.

There was a call from Qadhafi to the King. However, that report was the Libyan gloss on that conversation. I am assured there was no commitment to make up losses.

SAUDI STATEMENTS ON U.S. ACTION AGAINST LIBYA

Mr. LEVINE. Let me just conclude with one final point, and it ties into the points that Mr. Lantos was making earlier in the context of the statements that have come from Riyadh.

I have been reviewing the Middle Eastern press in the last several days. And just in the last couple of days one report is that the Saudis condemn the U.S. action and another report is the Saudis denounce the U.S. action. And putting the most favorable diplomatic posture on it as you did earlier in your response to Mr. Lantos, I still have a difficult time understanding why we do not appear to be more concerned about Saudi condemnation, Saudi denunciation and the consistent stream of language of this type, which strikes me as very clear with regard to Saudi Arabia's response to U.S. action in Libya.

Mr. MURPHY. It is not really a constant stream of Saudi statements over the—our military response to the Libyan provocation. This put all of the Arab countries in a tight corner because they are formerly tied to, under Arab League auspices, to a joint defense under a joint defense treaty.

I do not mean to pass it under the microscope, but I do draw your attention to the fact that there is no express support for Colonel Qaddafi or the policies of the Libyan government. There is sympathy for the Libyan people.

Mr. LEVINE. Thank you, Mr. Ambassador.

Mr. MURPHY. Thank you.

Mr. HAMILTON. Mr. Dymally.

SALE WOULD CREATE U.S. JOBS

Mr. DYMALLY. Thank you, Mr. Chairman. And I appreciate your giving me an opportunity to question the witnesses. The first witness I would like to pose a few questions to is my friend and neighbor, Mr. Levine.

Congressman, you and I share the two largest aerospace districts in California. I am told by unofficial sources in the Department of Defense that most of the jobs coming from the sale would benefit your district and my district.

Mr. LEVINE. Is that a question, Mr. Dymally?

Mr. DYMALLY. Yes.

Mr. LEVINE. Well, I am sorry to hear that.

Mr. DYMALLY. Now, I am also told that the Tornado, loss of that package to the Saudis cost us jobs.

LACK OF ISRAELI OPPOSITION TO THE SALE

Now, I am also told by press reports that the Israelis are not opposed to this sale; is that correct?

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Mr. LEVINE. That is not correct, Mr. Dymally. While it is my understanding that the Israelis are not lobbying or advocating, as it is not really the job of a foreign government to do, it happens that I have a statement that remains current by the Prime Minister of Israel, dated March 9, which reads:

> Prime Minister Shimon Peres said Sunday Israel opposes a proposed $350 million U.S. arms sale to Saudi Arabia, dismissing a report that Jerusalem had agreed not to fight the deal. Peres reaffirmed objections to the arms deal in response to a report that his aides had assured the Reagan Administration that Israel would not actively try to block the deal in Congress.

It is my understanding of the Israeli position that it is a consistently held position that they oppose the sale of sophisticated arms to nations which remain at war with the State of Israel. And Saudi Arabia is in that category.

LACK OF AIPAC OPPOSITION TO THE SALE

Mr. DYMALLY. Would you care to comment then on the press reports that the AIPAC is not opposed to this sale?

Mr. LEVINE. AIPAC also is opposed to the sale. But AIPAC has elected not to actively lobby in opposition to the sale.

And frankly, I think those questions are best directed to AIPAC itself. But AIPAC has reported to me and in public and to the press that they continue to oppose the sale. They believe the sale is bad policy, but for whatever their internal reasons are, have elected not to mount active opposition to the sale.

Let me, if I can, Mr. Dymally, in all seriousness go back to your first question as well, which is a legitimate and serious concern, and simply say this. And I am sure that you have some sympathy for this situation because you find yourself in this situation as well on a variety of instances.

For you and me, who do represent districts which have a significant aerospace component, obviously jobs are an important issue, and obviously jobs are a consideration that people such as ourselves need to take into account in making these judgments. And I do take them into account. And I take them quite seriously. But I do believe that in evaluating an issue such as this one, one needs to make a judgment that essentially is predicated upon the national security interests of the United States as the dominant and paramount consideration.

And if that involves opposing a particular sale or a particular weapons system that might provide some benefits to our particular districts, I would hope that there will be a number of other instances, a number of other proposals, a number of other sales or weapons systems which will provide a great deal of economic benefit to the people who work in the aerospace community in our districts. And you and I both have aligned together in supporting a number of those propositions.

But in a case where simply because jobs will be affected if a sale or a proposal is fundamentally contrary to American interests, I believe our national interests have to be the primary consideration.

BREAKDOWN OF PEACE NEGOTIATIONS

Mr. DYMALLY. I thank the gentleman for his response.

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Mr. Ambassador, a year or more ago you embarked on what appeared to be a very promising peace mission. What happened on your way to the peace table?

Mr. MURPHY. It has slowed down, Congressman. What happened is that in February at the most intense set of exchanges between the Jordanians and the Palestinians the PLO leadership was unable to meet the challenge that King Hussein laid out there, which was a simple, unequivocal acceptance of the two U.N. Security Council resolutions and agreement to negotiate with the State of Israel and to forswear violence.

Now that led to the King making a very strong statement a couple weeks afterwards in February that he could not deal with a leadership that did not have consistency and commitment. And that is where it stands at the moment; he is looking for a way to advance it and to restart—as are we—but we are in, a period of reflection.

TIMING OF THE SALE

Mr. DYMALLY. Our conservative friends have accused the Sandinista of displaying bad timing. Do you think the liberals can accuse you of displaying bad timing for coming up with this Saudi package at this time?

Mr. MURPHY. No right-thinking liberal could possibly criticize our position. You know, I am happy to say I do not think anyone in your respective districts, Congressman, need face a crisis of confidence, because our position is it is in the U.S. national security interests that this sale goes through.

Mr. LEVINE. Will the gentleman yield?

Mr. DYMALLY. Indeed I do.

Mr. LEVINE. Just in light of the fact that the gentleman has had the opportunity to sit through a significant part of this testimony, and I appreciate the questions that the gentleman has directed to me as well as to the other witnesses, I would hope that tomorrow when the full committee votes on this issue the gentleman will seriously consider the testimony that he has heard today and vote with those of us who are in support of this resolution.

Mr. DYMALLY. Thank you very much, Mr. Chairman.

Mr. HAMILTON. Mr. Dornan and after him Mr. Feighan.

The Chair would like to vote on this resolution reasonably soon. But I certainly do not want to reduce the time for either of our two remaining subcommittee members that have not had an opportunity to question.

But after Mr. Dornan and Mr. Feighan ask questions we will take up the resolution, if that is agreeable with the members.

Mr. Dornan.

SAUDI POSITION ON TERRORISM

Mr. DORNAN. I will help you, Mr. Chairman, by just asking one question of Ambassador Murphy.

I have been unable, in all the rush of news in the last week, to track carefully any Saudi Arabian statements about the antiterrorist raid that Mr. Reagan, our President, had to unfortunately order. And I wonder if you have taken note of them and if there is

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someone in your office could supply to me from the State Department a reading of various Saudi statements during this very interesting period when they had a chance to either be quiet, respond in Mr. Qadhafi's favor, or I guess the other option is impossible, that they would say something against terrorism that would support our direct action against the Libyan terrorist base?

Mr. MURPHY. Congressman, I would be happy to send you up tomorrow morning the actual statement that was made last week. The Saudi position against terrorism has been unequivocal. The Saudi position when it came to what was seen in the Arab world as an attack on a fellow Arab state put them in a corner because they have this joint defense treaty under the Arab League, and they expressed sympathy for the Libyan people, not sympathy for the leadership, not support for the leadership. But I will send you the exact text.

There was, I think it is fair to say, no chance to be quiet, given the politics of the region; there had to be a statement.

VOTE AT OPEC MEETING

Mr. DORNAN. The vote at the OPEC meeting was to continue trading with the United States?

Mr. MURPHY. Oh yes, sir. They——

Mr. DORNAN. Did they take a lead in that debate?

Mr. MURPHY. Oh, yes. Absolutely. The Foreign Minister when—it was not so much at the OPEC—but when the foreign ministers were to meet in Tunis, this was after the Gulf of Sidra incident, Qadhafi said, "I want everyone to send their Foreign Ministers to Tunis and to vote for sanctions against the United States in an embargo." And the Foreign Minister of Saudi Arabia said, "I am not coming under those conditions." So he did not, and there are not.

Mr. DORNAN. All right. Mr. Chairman, I yield back my time.

Mr. HAMILTON. Mr. Feighan.

CONSEQUENCES OF PASSAGE OF HOUSE JOINT RESOLUTION 589

Mr. FEIGHAN. Thank you, Mr. Chairman. I, also, have only one question to the Secretary to ask what he would foresee as the consequences of this resolution passing in the Congress?

Mr. MURPHY. The immediate consequences, Congressman, would be a Presidential veto. He hopes that it will not come to that point because he considers this very much in our national interest that the sale be approved. But the President has taken a very strong position on this. He feels strongly, he is convinced that this is in our interest.

Beyond the immediate political scenario, I think we face a very serious moment in our relationships in the region. As I said earlier at one point, this—we are not seeing it from the administration's standpoint as a test of our friendship. They are doing us a favor in deterring Iran in the gulf and containing the conduct of the Iran/Iraq war so it does not spill over against Kuwait in the first instance, and the other states in the Gulf.

That is very much in our interest. It is obviously in Saudi's interest to take this stand and to deter it. That is why we push the sale at this moment in time, to follow up on Congressman Dymally's

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point. It was an advance in the timing by the administration to come to you at this moment. And it is directly tied to the crescendo of threats out of Teheran against Saudi Arabia and Kuwait, given the conduct of the war.

The seriousness for the moment though is even broader. Are we going to be as a nation a credible security partner to the moderate states in the Arab world? We have interests that are not identical with those of Israel, and various areas. That is not surprising; there are bound to be some differences. What is remarkable is how broad the consensus is between us. But when it comes to maintaining the self-defense capabilities of other Arab States we cannot be guided by the principle that there should be no sales to states that have not signed a peace treaty with Israel. We have interests which go beyond that.

Mr. FEIGHAN. Thank you, Mr. Secretary.

Mr. HAMILTON. Mr. Siljander, do you have any questions?

Mr. SILJANDER. No questions.

Mr. HAMILTON. The Chair then wants to express appreciation to Mr. Pelletreau and Mr. Murphy for their appearance this afternoon. We thank you.

Mr. MURPHY. Thank you, sir.

CONSIDERATION OF HOUSE JOINT RESOLUTION 589

Mr. HAMILTON. The Chair is ready to consider House Joint Resolution 589. It is not my intent, of course, to vote without members being present. But we are calling members and asking them to come now.

And if it is all right with the gentleman from California I will recognize him in support of his amendment, and I want to assure him that we will wait till people are here.

Mr. LEVINE. Thank you, Mr. Chairman.

It is my understanding that a couple of members are coming from other subcommittees at this point. And as I, I think we are only one short at the moment.

Mr. Chairman, I move the resolution.

Mr. HAMILTON. Sorry, I did not hear.

Mr. LEVINE. I move the resolution's passage. I move that we recommend to the full committee that the resolution do pass.

Mr. HAMILTON. All those in favor say "aye."

[A chorus of ayes.]

Mr. HAMILTON. Those opposed "no."

[One voice "no."]

Mr. HAMILTON. The ayes have it. The resolution is passed.

And I will ask unanimous consent if members who are not present can indicate their vote.

Mr. LEVINE. That would be great.

Thank you, Mr. Chairman.

Mr. HAMILTON. House Joint Resolution 589 [1] is passed and reported to the full committee.

Mr. LEVINE. Mr. Chairman, thank you very much for your courtesy and thoughtfulness. Thank you.

[1] See app. 1.

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Mr. HAMILTON. The subcommittee stands adjourned.
[Whereupon, at 4:22 p.m., the subcommittee was adjourned.]

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PROPOSED ARMS SALES TO SAUDI ARABIA

WEDNESDAY, APRIL 23, 1986

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met in open markup session at 10:37 a.m. in room 2162, Rayburn House Office Building, Hon. Dante B. Fascell (chairman) presiding.

Chairman FASCELL. The committee will come to order.

We meet today to consider H.R. 4276, to require that any U.S. Government support for military or paramilitary operations in Angola be openly acknowledged and publicly debated; and House Joint Resolution 589, prohibiting the sale of certain missiles to Saudi Arabia.

[Whereupon the committee proceeded to other business.]

Chairman FASCELL. The next order of business is House Joint Resolution 589 and the Chair recognizes the gentleman from California, Mr. Levine. The chief of staff will report the bill.

Mr. BRADY [reading]:

H.J. Res. 589: Joint Resolution prohibiting the proposed sale of certain missiles to Saudi Arabia.

Chairman FASCELL. Without objection, the resolution will be considered as read, printed in the record, open for amendment.

Mr. Levine.

Mr. LEVINE. Thank you, Mr. Chairman. I have a statement which I would ask unanimous consent to include in the record.

Chairman FASCELL. Without objection.

Mr. LEVINE. Mr. Chairman, let me just make a few brief points in support of this resolution at this stage. I understand the chairman of the subcommittee wants to make a brief statement in opposition, and I'm hoping that we'll be able to expedite this hearing.

First, Mr. Chairman, I want to thank you for your assistance in expediting this as much as you have. And I want to thank the chairman of the subcommittee for his assistance as well in expediting this resolution.

Essentially, Mr. Chairman, the resolution before us would disapprove the administration's proposed sale to Saudi Arabia of Stinger, Sidewinder, and Harpoon missiles. The resolution at this moment has 222 cosponsors including a strong majority of this committee. The cosponsors are a bipartisan group of Members from across the political spectrum.

Simply stated, Mr. Chairman, we oppose this sale because of the antipathy Saudi Arabia has shown for fundamental American na-

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tional security interests in the Middle East, and because we do not believe that this sale would further American interests in the region.

Mr. Chairman, the United States has several vital national security interests in the Middle East. These include broadening the Camp David peace process, combating terrorism while denying terrorists any base of support, and helping our allies, Egypt and Israel, to maintain their military and economic security.

As I have outlined in my statement, Mr. Chairman, Saudi Arabia has not only failed to support the United States in each of these crucial areas, but has actively opposed us. Most recently, Mr. Chairman, we have seen in the showdowns with Mr. Qadhafi of Libya, Saudi Arabian statements of support for the Libyan position, Saudi Arabian statements of support for the positions that Mr. Qadhafi has taken, which statements are reflected in the most recent Middle East press reports.

Saudi Arabia has denounced and condemned American action in Libya, and has again shown, by these statements, its insensitivity to essential American interests.

Mr. Chairman, in 1981, when the administration secured passage of the resolution authorizing the sale of AWAC's to Saudi Arabia, the President of the United States wrote to the Senate majority leader at that time, indicating that it was his belief that through this sale, the Saudis would be a constructive player in the peace process.

Mr. Chairman, ever since then, Saudi Arabia has time and again undermined American interests in the region. Saudi Arabia has continued to bankroll states which support terrorism; has continued to bankroll the PLO.

The State Department estimates that the Saudis payments to the PLO last year were some $90 miliion and essentially the Saudis have consistently rejected essential American interests in the region.

I believe, Mr. Chairman, and I believe that the 222 coauthors believe, that it's time that we started asking what we get for this policy of providing arms almost reflexively to the Saudis. We have provided some 44 billion dollars' worth of weapons to the Saudis in the last 15 years and despite that, the Saudis continue to oppose us on critical issues.

I would like to make one special point about a particular component of this sale, Mr. Chairman, and that is the inclusion of Stinger missiles in this package. Now, Mr. Chairman, while I oppose all elements of this sale, I am particularly opposed to the inclusion of Stingers. The Stinger is a sophisticated, effective, portable weapon. It has been called the "ideal terrorist weapon," and the "terrorists' delight," and it is.

Terrorism is on the increase and desperate terrorists will stop at nothing to obtain every possible means to help carry out their brutality and barbaric undertakings. We should keep Stinger weapons under U.S. lock and key and not send them to a part of the world where terrorism has become the game of the day.

Again, Mr. Chairman, I want to thank you and the subcommittee chairman for expediting consideration of this resolution. I appreciate the cosponsorship of such a strong majority of this committee

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on a bipartisan basis, and I urge my colleagues to join me in defeating the administration's proposal to sell these missiles to Saudi Arabia.

And I thank the gentleman for his time, and yield back the balance of my time.

[Representative Levine's prepared statement follows:]

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STATEMENT OF HON. MEL LEVINE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman, as primary sponsor of H.J. Res 389, I want to thank you for your cooperation in bringing this resolution before the full Committee in such an expeditious manner.

The resolution before us would disapprove the Administration's proposed sale to Saudi Arabia of Stinger, Sidewinder and Harpoon missiles. It has 221 cosponsors, including a majority of this Committee. These cosponsors are a bipartisan group of Members from across the political spectrum who share a deep concern over US arms sales policy in the Middle East, and for our own national interests. Simply stated, we oppose this sale of more than 2500 missiles to Saudi Arabia because of the antipathy Saudi Arabia has shown for fundamental US national security interests in the Middle East. We do not believe this sale would further our own interests in the region.

The United States has several vital national security interests in the Middle East, in addition to ensuring access to oil. These interests include broadening the Camp David peace process, combating terrorism while denying terrorists any base of support, and helping our allies Egypt and Israel to maintain their military and economic security.

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Saudi Arabia has not only failed to support the United States in each of these three crucial areas, but has actively opposed us.

For example, the Saudis continue to isolate Egypt for its willingness to pursue peace with Israel. They have bankrolled the Palestine Liberation Organization and Syria - the protectors of terrorists implicated in the murder of hundreds of Americans, including the bombing of the Marine barracks in Beirut. According to the State Department, the Saudis give some $90 million a year to the PLO.

Under Saudi leadership, pan-Arab organizations have stepped up efforts to punish American businesses trading with Israel, imposing increasing requirements for US aid to Israel because of boycott efforts to strangle Israel economically. Finally, the Saudis sided with Muammar Qaddafi in our recent showdowns with the Libyan dictator and reportedly pledged to make good on any losses incurred from the American boycott of Libya.

The arguments the Administration makes to defend its proposal to sell these missiles to Saudi Arabia are (1) the sale would be a reaffirmation of US support for and friendship with Saudi Arabia, (2) the missiles are needed to defend against the threat Iran is posing by ground advances into Iraq, and (3) the Saudis need the missiles to maintain their defense capabilities.

None of these arguments is particularly compelling.

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First, nearly every transaction between Saudi Arabia and this country has been touted as a so-called "test of friendship," but what have we received in return? At what point can we expect that in return for our responsiveness to Saudi security interests, that they respond to ours?

Second, these missiles, which are not scheduled for initial delivery until 1989, will not help Saudi Arabia counter the Iranian threat. The war between Iran and Iraq is being waged on the ground between ground troops, and antiaircraft missiles would be of no use in countering that particular threat.

Lastly, the Saudis already have a full arsenal of missiles, raising significant questions about the credibility of the Administration's argument that the Saudis need the missiles to maintain their defense capabilities. Their capabilities are already great.

For nearly two decades the United States has been almost reflexively granting Saudi arms requests. But our policy has neither yielded Saudi support for key US initiatives, nor resulted in Saudi cooperation in advancing US security interests in the Middle East. In fact, selling arms seems to be our only policy with respect to Saudi Arabia - irrespective of its sensitivity to our own interests in the region. There are no compelling reasons to continue this policy. If the Saudis want our cooperation, then let them give us theirs. This pending

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missile sale, which meets no legitimate Saudi need, is an appropriate place to halt our unproductive policy.

I would like to say a word about my special concern about the inclusion of Stinger missiles in this package.

The Stinger is sophisticated, effective and portable. It has been called the "ideal terrorist weapon," and "the terrorist's delight," and it is. While I oppose the sale of the Administration's missile package to Saudi Arabia, I especially object to the inclusion of the Stingers. Terrorism is on the increase, and desperate terrorists will stop at nothing to obtain every possible means to help carry out their brutality and barbaric undertakings. We should keep these weapons under US lock and key, and not send them to a part of the world where terrorism is the game of the day.

Again, Mr. Chairman, thank you for bringing up this resolution so quickly, so that the Committee can consider this important issue. I urge my colleagues to join me in defeating the Administration's proposal to sell these missiles to Saudi Arabia, and I would be glad to respond to any questions Members might have.

Thank you.

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Mr. GILMAN. Would the gentleman yield?

Mr. LEVINE. I'd be delighted to yield to the gentleman from New York.

STATEMENT OF REPRESENTATIVE BENJAMIN A. GILMAN

Mr. GILMAN. I thank the gentleman for yielding and I certainly want to indicate my support of the resolution. Although we recognize the importance of a balanced arms supply and the political relationship with moderate Arab states, I don't feel that the administration has made a substantial case for this sale at this time.

Moreover, the Saudis certainly have not demonstrated any significant support for the Middle East peace process in the past few months. Mr. Chairman, I too want to salute the efforts of the gentleman from California, Mr. Levine, in bringing the resolution before us, today. He's given the issue a great deal of time and attention.

I also want to thank the chairman of the full committee for moving the resolution forward, despite today's parliamentary problems. And I'd like to say a brief word about the role of the chairman of our Europe and Middle East Subcommittee, the gentleman from Indiana, Mr. Hamilton. He's been eminently fair in his treatment of the issue and particularly this resolution.

No one who did not know that he's in the distinct minority on this matter in subcommittee would be able to discern that from the way he brought the issue before the subcommittee, or in the very fair way that the matter was handled by our subcommittee staff which, under his guidance, did its usual thorough preparation for our hearings.

Again, Mr. Chairman, I don't feel that I can support the sale at this time as a cosponsor of the resolution, and I'm pleased to add my voice in support of it today. I urge my colleagues to join me in support.

Mr. HAMILTON. Would the gentleman yield?

Chairman FASCELL. The gentleman from Indiana, Mr. Hamilton.

Mr. LEVINE. Mr. Chairman, could I just reclaim the last 30 seconds of my time, having yielded to the gentleman from New York, simply to echo the comments that he has made about the subcommittee chairman and his staff on this issue. I believe that those comments are particularly appropriate and should be underscored by all of us on the subcommittee. Each of us has received very fair treatment on this. The issue has received very fair treatment, and I want to also compliment and thank the gentleman fom Indiana for that.

Chairman FASCELL. Mr. Hamilton.

SUPPORT FOR THE SALE

Mr. HAMILTON. Thank you very much. Mr. Chairman and may I thank my friends, Mr. Gilman and Mr. Levine for their gracious remarks.

I'm well aware of the effective work that they have done in garnering votes here, and I hope they will permit me the courtesy of simply stating the reasons why I think this sale should be support-

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ed, and I do so without any illusions about how the vote will come out.

First, let me say that it is my assessment that this sale does not affect significantly the balance of military power in the region. I don't think it represents a threat to the State of Israel. If it did represent such a threat, I would not support it. And I think that's a very important fact to keep in mind.

Second, I want to say that I really am very worried about the erosion of U.S. influence in this area of the world, particularly with the moderate or friendly Arab countries. I think the United States is increasingly viewed as an unreliable partner in that area of the world, because of a series of events that have occurred. We are all familiar with them. The absence of any viable peace process. The fact that King Hussein was turned down on an arms sale. The U.S. raid against Libya. All of these things perhaps are supportable or are supportable, and there are reasons for them, but nonetheless, they add up to make things very difficult for us with our Arab friends.

And now to come along with this Arms sale, a very modest replenishment of missiles for Saudi Arabia, and to deny that sale, I think sends an additional strong negative signal to the area that is not desirable

Approving this sale certainly will not answer all the problems that we have in the region, but denying the sale is going to reinforce a lot of anti-American feelings in the area throughout the region, and in Saudi Arabia particularly.

Saudi Arabia remains an enormously important country for us, for a variety of reasons. I know, as the Congressman from California, my friend, Mr. Levine, mentioned they have disappointed us, not once or twice, but many times, with regard to positions they have taken. But it's also important to recognize that they have been helpful to us many times.

They are a non-Communist, strongly non-Communist state. They have helped in the Lebanese peace process. They did put forward a peace plan that moved toward negotiations and did not reject negotiations.

They have supported efforts to end the Iran-Iraqi war. They have supported King Hussein in the peace process.

So what you end up with is a number of steps where they have been helpful. And I must acknowledge, as Congressman Levine has said, a number of steps where they've not been helpful. But we can't expect 100 percent score card, and it is time, I think, to demonstrate our reliability.

In addition to that, there are some new factors on the scene today. The Iranians now have crossed the Shatt al-Arab. They are at the head of the Persian Gulf. they are only a very few miles away from Kuwait. The whole Gulf is very nervous. The Saudis are nervous. Those oil fields are terribly exposed.

It doesn't take much military power at all to wreak havoc in Saudi fields.

And they simply are seeking some reassurance from us for their own security. Not just in Saudi Arabia, but for the entire Gulf, and that's the importance of this sale. The sale meets specific Saudi defense needs. Without this sale, their missile stock is going to go

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down and it's going to be deficient. We are only upgrading their missile supply.

Finally, this package has been cut back. It did not have all of the equipment that initially was thought to be in the package. So it seems to me that given the overall political and strategic context that surrounds us when we make this decision, this sale is very much in the U.S. national interest.

We can be friends with Israel and we can be friends with the friendly Arab states. And in order to do that, we must show a sensitivity to the security needs of Saudi Arabia. This sale, if it goes through, is going to help assure that Saudi Arabia can protect its own security. It's going to show that the United States is reliable; that we want security for these countries in the Gulf region. It's going to help contain threats from the Iran-Iraq war and from Iranian extremism in the area. It's going to guard against inroads by the Soviet Union into the area; it's going to help assure international access to oil. All of these things in part at least are helped by this sale.

So I recognize this is a tough call for many members. I also recognize what the facts are with regard to the votes in the committee and the House. I do appreciate very much the opportunity to put in the record, my sense of the importance of this sale.

And I thank the chairman.

Mr. SMITH of Florida. Mr. Chairman.

Chairman FASCELL. Mr. Smith.

SUPPORT FOR HOUSE JOINT RESOLUTION 589

Mr. SMITH of Florida. Thank you, Mr. Chairman.

Chairman FASCELL. Henry, you are next.

Mr. SMITH of Florida. Let me first start off by commending Mr. Levine for having brought this resolution to the committee, and frankly keeping it in the tradition of those arms sales which we have been able to defeat in the recent past by just a resolution of disapproval.

I want to commend Mr. Hamilton for a very fine statement, much of which I can agree with. I think it is important for the United States to remain friendly with the moderate Arabs. I think we must remain friends with Israel and nurture a relationship with the friendly Arabs. And we do need to help them with their security needs.

But somehow it always turns out that the arms sales that are being requested to help them with their security needs never match the threat against their security. It was the same with the Jordan arms package before this one. The things that were being sold did not have a blessed thing to do with their ability to defend themselves against the threat, which our administration identified as the primary threat.

In this case Saudi Arabia already has the highest ratio of missiles to planes in the world, even higher than the United States Air Force. In this case, the United States Government has identified the primary threat to Saudi Arabia as a ground military threat from Iran. Iran has almost no air force capable of flying. The few planes they have are needed to guard their own capital and other

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targets inside Iran. The Saudis have already knocked down two Iranian planes which intruded about 1 year ago with two Sidewinder missiles. And those were the first missiles we heard of being used in the last 4 or 5 years.

They have a significant capability in the air. What they need are weapons to protect them from the possible threat of Iranian ground troops, which are the largest asset of the Iranian army by far outnumbering the Saudis in the scores to one.

I would agree with the chairman, if in fact the arms package had been constructed so that there were armored personnel carriers and individual soldier's weapons like machineguns and antipersonnel mines, grenades, artillery, short range especially and the like.

But what we are talking about here is giving them what they already possess in the greatest numbers and giving them what already constitutes their greatest strength, and not strengthening their weakest point in the military chain. That is what is wrong with this sale.

And I hope, just like we said with the Jordanian sale, when I together with Mr. Levine and many others of this committee led the charge, that the Saudis do not misunderstand the Congress in this regard. The Congress is very willing to help the Saudis. The Congress is very willing to help the Jordanians. The Congress is willing to help all the moderate Arab states.

We want our help, however, to be directed in the place where they need it the most. The Saudis do not need more Harpoon missiles or Sidewinders. They certainly do not need Stingers, and that is the weak link in this program anyway. For us to proliferate Stinger missiles in this world is a direct threat against all the commercial aviation in this country and everywhere else.

And I urge my colleagues, and I urge those that will listen and read today of these events to understand that we are not spurning or turning our back on the Saudis. What we are trying to do is have Congress play a role in determining what way we can be most helpful. And that is something I think that this Congress needs to continue to play a role in doing.

Mr. DYMALLY. Will the gentleman yield? You have a couple of minutes on your time. Would you yield?

Mr. SMITH of Florida. Why don't I yield back the balance of my time, and you can——

Chairman FASCELL. Well, we have a vote.

Mr. SMITH of Florida. I do not have much time left.

Chairman FASCELL. We have a vote coming, and I have several speakers remaining. What is the pleasure of the committee. I think we ought to dispose of this matter before we go to the floor.

Mr. HYDE. Chairman, I would like to——

Chairman FASCELL. Mr. Hyde has the time.

Mr. HYDE. Mr. Chairman, I would just like to associate myself with the remarks of Mr. Hamilton and yield back my time.

Chairman FASCELL. Then Mr. Studds is next.

Mr. STUDDS. Mr. Chairman, under the circumstances, I am not going to insist on using the time that any member is entitled to. I was going to ask the administration if they would care to say a word. Normally it is our policy here, when voting on something

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that is requested by the administration, to at least do them the courtesy to let them state their position.

The testimony of the Assistant Secretary of Defense and the Assistant Secretary of State was that it was vital to the security of the United States that the sale proceed, vital to our interest in the Middle East as perceived by this administration.

I could have sworn that earlier today I heard statements of concern about Presidential flexibility coming from the Republican side of the committee, and yet we are now proposing to deny the President any semblance of flexibility, that which he says he deems vital to the security interests of this country and of our allies and of our friends, both Israel and what remains of friends amongst the Arab world for the United States.

Under the circumstances, I gather the committee is anxious not to deal with questions like that but simply to proceed to vote. And I want to commend the gentleman from Indiana, who has since left, for making a very calm and rational statement. It seems to me that given the events of the past days and weeks, given the extraordinary hostility toward the United States by radical Arab States, given the Iranian-Iraqi war, given the extraordinary importance of access to the oil supplies of the region, and given the perceptions by Arabs of all political coloring, that the United States is pursuing something other than an evenhanded policy that we ought to give a little bit more than 2½ minutes' consideration to the administration's contention in this regard.

But I am aware, as Mr. Hamilton said, of this position of the committee and of the House, their desire to proceed without embarrassing themselves with more substantive considerations, and I yield back the balance of my time.

Chairman FASCELL. Mr. Gilman.

Mr. GILMAN. Mr. Chairman, I would like to move the resolution.

Chairman FASCELL. All those in favor of the resolution signify by saying "aye".

[A chorus of ayes.]

Chairman FASCELL. All those opposed, "no".

[A chorus of noes.]

Chairman FASCELL. The ayes have it, and the resolution is agreed to.

The committee stands adjourned. There is a request for 3 days to file minority views——

Excuse me?

Mr. WOLPE. I believe there is at least one member who is on the way over to cast a vote, but——

Chairman FASCELL. Without objection, we will allow him to cast a voice vote.

[Whereupon, the committee proceeded to other business.]

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APPENDIX 1

99TH CONGRESS
2D SESSION

H. J. RES. 589

Prohibiting the proposed sales of certain missiles to Saudi Arabia.

IN THE HOUSE OF REPRESENTATIVES

APRIL 9, 1986

Mr. LEVINE of California (for himself, Mr. KEMP, Mr. WEBER, Mr. SMITH of Florida, Mr. SILJANDER, Mr. BARNES, Mr. SMITH of New Jersey, Mr. HUNTER, Mr. TORRICELLI, Mr. LANTOS, Mr. FEIGHAN, Mr. ACKERMAN, Mr. ANNUNZIO, Mr. ATKINS, Mr. AuCOIN, Mr. BATES, Mr. BEILENSON, Mr. BERMAN, Mr. BIAGGI, Mr. BOEHLERT, Mr. BONER of Tennessee, Mr. BORSKI, Mr. BOUCHER, Mr. BOULTER, Mrs. BOXER, Mr. BROWN of California, Mr. BRYANT, Mrs. BURTON of California, Mr. BUSTAMANTE, Mr. CALLAHAN, Mr. CARR, Mr. COBEY, Mr. COBLE, Mr. COELHO, Mrs. COLLINS, Mr. COUGHLIN, Mr. COYNE, Mr. CRANE, Mr. DASCHLE, Mr. DELLUMS, Mr. DIOGUARDI, Mr. DIXON, Mr. DORGAN of North Dakota, Mr. DORNAN of California, Mr. DOWDY of Mississippi, Mr. DOWNEY of New York, Mr. DREIER of California, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. ECKART of Ohio, Mr. ECKERT of New York, Mr. EDWARDS of California, Mr. EVANS of Illinois, Mr. FAZIO, Ms. FIEDLER, Mr. FISH, Mr. FLORIO, Mr. FOGLIETTA, Mr. FORD of Michigan, Mr. FOWLER, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. GALLO, Mr. GARCIA, Mr. GEJDENSON, Mr. GILMAN, Mr. GLICKMAN, Mr. GORDON, Mr. GRAY of Illinois, Mr. GREEN, Mr. HALL of Ohio, Mr. HAWKINS, Mr. HAYES, Mr. HERTEL of Michigan, Mr. HORTON, Mr. HOWARD, Mr. HOYER, Mr. HUGHES, Mrs. JOHNSON, Mr. JONES of Oklahoma, Mr. KINDNESS, Mr. KOSTMAYER, Mr. KRAMER, Mr. LEHMAN of California, Mr. LEHMAN of Florida, Mr. LELAND, Mr. LENT, Mr. LEVIN of Michigan, Mr. LIGHTFOOT, Mrs. LLOYD, Mr. LOWRY of Washington, Mr. LUKEN, Mr. LUNDINE, Mr. MACK, Mr. MANTON, Mr. MARKEY, Mr. MATSUI, Mr. MAVROULES, Mr. McCOLLUM, Mr. McGRATH, Mr. McHUGH, Mr. McKINNEY, Mr. MICA, Ms. MIKULSKI, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL, Mr. MOAKLEY, Mr. MOODY, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. NEAL, Mr. OWENS, Mr. PANETTA, Mr. PENNY, Mr. PEPPER, Mr. PICKLE, Mr. REID, Mr. RICHARDSON, Mr. RINALDO, Mr. ROBINSON, Mr. ROE, Mr. ROYBAL, Mr. SAXTON, Mr. SCHEUER, Mrs. SCHNEIDER, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SHARP, Mr. SHELBY, Mr. SIKORSKI, Mr. SISISKY, Mr. SLATTERY, Mr. SOLARZ, Mr. STARK, Mr. SWINDALL, Mr. SYNAR, Mr. TAUZIN, Mr. TORRES, Mr. TRAFICANT, Mr. UDALL, Mr. VENTO, Mr. VOLKMER, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, Mr. WILLIAMS, Mr. WIRTH, Mr. WOLPE, Mr.

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WORTLEY, Mr. YATES, and Mr. YOUNG of Missouri) introduced the following joint resolution; which was referred to the Committee on Foreign Affairs

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JOINT RESOLUTION

Prohibiting the proposed sales of certain missiles to Saudi Arabia.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the issuance of a letter of offer with respect to any of the following proposed sales to Saudi Arabia (described in the certifications transmitted to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate pursuant to section 36(b) of the Arms Export Control Act on April 8, 1986) is hereby prohibited:

(1) The proposed sale of AIM-9L SIDEWINDER missiles, and related defense articles and defense services (Transmittal Numbered 86-29A).

(2) The proposed sale of AIM-9P4 SIDEWINDER air-to-air missiles, and related defense articles (Transmittal Numbered 86-29B).

(3) The proposed sale of basic STINGER air defense guided missile systems, and related defense articles and defense services (Transmittal Numbered 86-29C).

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(4) The proposed sale of air launched HARPOON missiles, and related defense articles and defense services (Transmittal Numbered 86-29D).

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APPENDIX 2

STATEMENT IN SUPPORT OF THE SALE SUBMITTED BY DAVID J. SADD, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF ARAB AMERICANS

The National Association of Arab Americans is pleased to submit written testimony on the Administration's proposal to sell defensive equipment to Saudi Arabia. As the principle lobbying organization representing the views of more than three million Americans of Arab descent--as well as a large and growing number of Americans who share our viewpoint--NAAA seeks to promote a U.S. Middle East policy which serves U.S. interests and strengthens relations with the Arab world.

NAAA strongly supports the Administration's proposed sale of missiles, worth $354 million, to Saudi Arabia. The components of the sale are all currently in the Saudi inventory; however, a resupply is essential since, according to the Department of Defense, two thirds of the current Saudi inventory will be obsolete or used in practice by 1991.

The merits of the sale are clear: Saudi Arabia faces a significant threat from Iran and is the keystone in overall Gulf security. From a political perspective, Saudi Arabia has consistently exerted a moderating influence in the region. Saudi diplomatic efforts include forging a new Arab consensus which supports the principle of a negotiated settlement to the Arab-Israeli conflict based on a return to the 1967 borders as articulated in the "Fez declaration," active diplomacy to help bring peace to war-torn Lebanon, and efforts to seek a settlement to the Iran-Iraq conflict. More recently, Saudi Arabia was successful in blocking a Libyan-sponsored effort in the Arab League to impose economic sanctions against the United States. Saudi Arabia has demonstrated itself to be a reliable friend and ally of the United States, and an important trading partner with whom we enjoy a positive trade balance.

The proposed arms sale is not a "litmus test" of U.S. support for Saudi Arabia. Rather, it is part of a fifty year history of friendship and cooperation between the United States and an important Arab country -- a relationship which has benefitted both nations. We

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seriously question the wisdom of those who would have us neglect the needs of an important friend in its time of need. Our inability to continue to meet Saudi Arabia's legitimate defense requirements would, we fear, seriously undermine U.S. interests and objectives in the region.

The recent Saudi $15 billion purchase of British Tornado fighter aircraft following Congressional opposition to the sale of additional F-15s demonstrated that Saudi Arabia will obtain the equipment necessary to defend itself. The question now facing Congress is whether the U.S. will continue to be a major defense supplier, or whether we will abdicate that role to our European competitors. Thousands of American workers will be affected -- in addition to our credibility and influence in the region.

Mr. Chairman, attached is a basic facts sheet on the sale, in addition to our position paper. We ask that both be included in the record. We urge the members of this subcommittee to carefully consider the merits of the sale and give the Administration their full support.

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MYTHS AND FACTS: THE SAUDI ARMS SALE

MYTHS	FACTS
In a March 11 letter, Senator Alan Cranston (D-CA) stated: "The U.S. has supplied the Saudis since 1971 with more than $44 billion of our most sophisticated weaponry."	According to DOD, of the $50 billion in Saudi military purchases since 1953, weapons and ammunition accounted for only $4.8 billion or 10% of total purchases. The breakdown is as follows: $4.8 Billion - Actual weapons (e.g., F-15s, sidewinders) 7.9 Billion - Non combat equipment (e.g., AWACS) 3.6 Billion - Spare parts, modifications 13.0 Billion - Support services (e.g. training advisors, etc.) 20.7 Billion - Construction (e.g., military facilities, roads, barracks, etc.
Saudi Arabia currently has ratio of 37 missiles to each fighter aircraft.	Saudi Arabia's missile ratio is actually closer to 10-1 when taking into account the total number of fighter aircraft available, and the number of missiles being serviced out of the country on a regular basis Further, by the time the missiles are actually delivered two thirds of the current Saudi inventory will be obsolete or already used in practice.
This sale will pose a threat to Israel.	"I have reviewed this sale carefully and am fully convinced it will serve these vital interests without in any way derogating the security of Israel. I remain committed to maintaining Israel's decisive military advantage over any foreseeable combination of potential adversaries. These sales are fully consistent with that fundamental policy." President Reagan, March 11, 1986 According to the Jaffee Center for Strategic Studies at Tel Aviv University, "The Saudi Armed Forces are too small, too weak and too widely scattered to defend their country aginst the major military powers in the Middle East."

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MYTHS	FACTS
"The Saudis face a diminished threat from Iran's crippled forces, which the Saudis already have the ability to overwhelm, so there is reason to question the need for such an enormous new arms package." Senator Alan Cranston September 5, 1985.	In 1984, Iranian jets heading for Saudi Arabia were shot down by U.S.-supplied Saudi F-15s over the Persian Gulf. It only takes a few planes to wreak havoc at Saudi oil installations which are within striking distance of the Iranian air base at Bushehr. Today, nearly 80,000 Iranian troops are on the Iraq/Kuwaiti border, only 200 miles from Saudi Arabia. Recent Iranian threats toward Kuwait and Saudi Arabia underscore the vulnerability of our friends in the Gulf.
Saudi Arabia has frustrated the peace process.	Saudi Arabia in 1981 proposed a peace plan which offered Israel peace and secure borders in exchange for territory occupied in the 1967 war. The "Fahd Plan" served as the basis for subsequent Jordanian and Palestinian initiatives. Saudi Arabia has worked diligently for the peaceful resolutions of the Lebanon conflict and the Iran-Iraq war.
Weapons supplied to Saudi Arabia, particularly stingers, could fall into the hands of terrorists. U.S. technology could be compromised.	According to DOD, Saudi security measures are often stricter than our own. Saudi Arabia has an impeccable record in maintaining the security of its military facilities and U.S. supplied equipment. Stingers launchers, are stored separately from the missiles as an additional security measure.
Saudi Arabia supports Libya economically and politically.	Saudi Arabia has not provided Libya with any economic support. Further, Saudi Arabia was recently successful in blocking a Libyan-sponsored effort to impose economic sanctions against the United States.
By blocking this sale, Congress can stop the "arms race" in the Middle East.	Saudi Arabia is not engaged in any "arms race," but will obtain the weapons necessary for the legitimate self-defense of its people and resources from the U.S. or an alternate supplier. Saudi Arabia has one third of the free world's proven oil reserves and a land mass the size of Mexico's. Further, key strategic points are scattered throughout the kingdom which makes effective air defense more difficult. In light of this, expenditures of $4.8 billion on military hardware are relatively modest.

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REASONS WHY THE U.S. SHOULD SELL ARMS TO SAUDI ARABIA

* The sale strengthens American national interests by meeting the legitimate defense needs of a major Arab friend in the Middle East. U.S. willingness to meet these needs demonstrates that the United States is committed to the security of Saudi Arabia and the strategic Gulf region and that it prefers to have forces from the region, rather than from the United States, handle the job.

* The sale is necessitated by the perils in the strategic situation in the Gulf region brought about by the Soviet occupation of Afghanistan, the instability of Iran, and the dangerous escalation of the war between Iran and Iraq. It will add to the strategic ability of the United States to defend against potential Soviet threats to the oil jugular of the West.

* The sale is for defensive purposes and will help Saudi Arabia to deter potential attacks on its vital oil fields and population centers by enhancing its air-defense system. The need for Saudi Arabia to maintain a strong and capable air-defense system was underscored in 1984, when it was forced to repulse an attack on shipping by hostile Iranian planes during the so-called "tanker war" in the Gulf.

* The sale will not pose a threat to any other country. Saudi Arabia has no intention of attacking any of its neighbors. On the contrary, Saudi Arabia has pursued responsible international policies and has contributed to the Middle East peace process. King Fahd's eight-point peace plan in 1982 offered a reasonable and responsible basis for achieving a just and durable peace in the Middle East. Arguments that previous major arms sales to Saudi Arabia in 1978 and 1981 would prove to be a threat to third countries have been proven unfounded.

* The sale must be judged solely on its own merits and on the national interests of the United States. It must not be affected by an "Israeli veto". An Israel which seeks peace can only benefit from closer ties between the United States and the moderate Arab governments in the region.

* The sale will yield immediate economic benefits in the United States by generating business for U.S. defense firms, providing jobs for Americans, improving the balance of payments, and increasing economies of scale. Saudi Arabia pays for its defense purchases; it does not rely on U.S. aid.

* Failure to approve the sale could cause Saudi Arabia to turn directly to Europe in order to meet its legitimate defense needs, thereby reducing American influence on military matters in the region and transferring the economic benefits of the sale to competitor nations. This has already been demonstrated by the Saudi decision to purchase British jet fighter planes after its requests for American planes had been repeatedly postponed.

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STRENGTHENING SAUDI ARABIA'S DEFENSES

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STRENGTHENING SAUDI ARABIA'S DEFENSES

I. The Sale and Congress

The Reagan Administration notified Congress on March 11 of its intention to sell air-defense weaponry, including air-to-air, air-to-sea, and ground-to-air missiles, to Saudi Arabia. The decision to sell these items was made after careful study of Saudi defense needs, and comes at a time when instability in South Yemen and the deteriorating situation in the Gulf due to the Iran-Iraq war underscores the threat to Saudi Arabia's security.

The new arms package will be the third major U.S. sale to Saudi Arabia in eight years. In 1978, Congress approved a package, proposed by the Carter Administration, that included F-15 aircraft. A second package, proposed by the Reagan Administration was approved by Congress for Saudi Arabia in 1981. That package, which enabled Saudi Arabia to improve the air-defense capabilities of its thinly-stretched F-15 fleet, contained Sidewinder missiles, aerial tankers for in-flight refueling, "add-on" equipment, including external fuel tanks, for its fleet of F-15s, and AWACS aircraft.

Under legislation passed in 1976, the Administration is required to notify Congress of proposed arms sales that exceed $25 million. Although it has never done so, Congress can block a sale if both Houses pass legislation within 30 days of official notification. The proposed sale to Saudi Arabia is bound by that legislation. The President does, however, have the option to veto legislation blocking the sale.

II. Components of the Sale

The Administration's proposed air-defense package for Saudi Arabia consists of the following items:

-- 671 AIM-9P4 Air-to-Air Missiles
-- 995 AIM-9L Air-to-Air Missiles
-- 100 HARPOON Air-to-Sea Missiles
-- 200 STINGER Manportable Ground-to-Air Missile Systems with 590 Reloads

These items do not introduce new weapons systems or new capabilities into the Saudi armed forces. The Saudis already have some AIM-9L missiles, an earlier version of the AIM-9P4, and limited quantities of the STINGER. They also possess a surface-launched version of the HARPOON.

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A. AIM-9P4 Sidewinders: The AIM-9P4 is a variant of the short-range Sidewinder family of air-to-air missiles. It can be fired effectively from aircraft with less advanced avionics, such as the F-5.

B. AIM-9L Sidewinders: The AIM-9L is an advanced short-range air-to-air missile that will be used to make Saudi F-15 fighters fully effective in air combat. It is currently being replaced in the U.S. armed forces by the AIM-9M.

C. Stingers: The Stinger provides close-in defense of key industrial or military installations against air attack. The wide dispersal of such installations in Saudi Arabia requires an increase in the number of Stingers to provide adequate protection. Saudi Arabia has warehoused the Stingers it already possesses under stringent controls.

D. Harpoons: Saudi Arabia already possesses the surface-launched Harpoon anti-ship missile. The air-launched version is intended to extend the range and shorten the response time against naval threats in the Gulf.

III. Saudi Arabia's Interests

Saudi Arabia is a large and sparsely populated country the size of all the United States east of the Mississippi River. It has a coastline of more than 1,500 miles and land borders with eight nations totalling approximately 2,800 miles. Saudi Arabia is a traditional, non-aggressive, staunchly anti-communist monarchy which has been noted for its highly stable governing system. The Saudi Arabian government has worked hard to distribute the benefits of national oil revenues and prosperity to all of its citizens.

A. The Saudi Role in World Affairs

Saudi Arabia plays an important and responsible role in world affairs and is a peace-maker and force of moderation in the Middle East. As the birthplace of the great monotheistic religion of Islam and the protector of the most revered Islamic religious sites in Mecca and Medina, Saudi Arabia is a leader in the Muslim world. The security of these sites is a primary concern for the more than 900 million Muslims in the world today.

The Kingdom's great financial resources have enabled it also to assume key role in such international financial institutions as the International Monetary Fund and the World Bank. In recent years, the Saudi contribution to the IMF has been approximately $18 billion in addition to its quota in the Fund of $3.2 billion.

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B. Oil

As the largest and most influential member of the Organization of Petroleum Exporting Countries, Saudi Arabia has consistently pursued responsible and moderate oil policies in OPEC, balancing its own needs and those of the other OPEC nations with a sensitivity to the needs of the West. In the 1970s and early 1980s, the Saudis demonstrated a keen concern over the strains that increases in oil prices had had on the economies of the industrialized nations. The Saudi government worked consistently to restrain or prevent oil price rises.

Following the cessation of oil exports from Iran and Iraq in 1980 as the result of war, Saudi Arabia raised its oil production by two million barrels to 10.5 million barrels per day in order to make up for the shortfall on the world market. The Saudis maintained this higher production level even after the resumption of exports from Iran and Iraq, in order to extract a long-term commitment by other OPEC nations to reasonable oil prices and adequacy of supply. The resulting oil "glut" on the world market was a successful brake on the rise of its oil prices and has clearly benefitted the West.

Because of the oil glut and successful conservation efforts by oil consuming nations, Saudi oil production has fallen considerably in recent years. In September 1985, however, Saudi Oil Minister Sheikh Ahmed Zaki Yamani announced that Saudi Arabia would raise its production of oil by at least one million barrels per day the following month to 3.5 million barrels per day. The Saudi decision put even more pressure on oil prices to fall, a development which waswelcomed by third world oil-importing nations and industrial nations alike.

C. Middle East Peace

The Saudis have repeatedly demonstrated their commitment to a diplomatic resolution of the Middle East conflict. In 1981, the Saudi government lent valuable assistance to the diplomatic efforts of U.S. Special Envoy Philip Habib to secure a cease-fire between Israel and Palestinian fighters in Lebanon. The cease-fire held for almost 11 months until Israel invaded Lebanon and laid siege to West Beirut in 1982.

In August 1981, King Fahd--who was then Crown Prince--announced an eight-point plan for a comprehensive settlement of the Arab-Israeli conflict. The plan called, among other things, for Israeli withdrawal to pre-1967 borders and for the creation of an independent Palestinian state. It also affirmed the right of all states in the region to live in peace. Most Middle East observers have interpreted the Fahd plan, and the subsequent "Fez Plan" adopted

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in September 1982 at an Arab summit conference in Fez, Morocco, as containing positive elements that made a substantial contribution to the search for peace.

D. Relations with the United States

Saudi Arabia and the United States have developed a close, even special, relationship that has lasted half a century. American technicians have helped Saudi Arabia develop its oil resources; President Franklin Roosevelt hosted King Abdul Aziz, the unifier of the Kingdom, aboard an American warship in 1945, long before Saudi influence had developed to its present level; most of the Kingdom's educated elite have studied in the United States; and Saudi and American interests have converged on a number of important political issues, including their mutual determination to prevent the spread of communism in the Middle East and elsewhere.

Trade between the United States and Saudi Arabia is large and lucrative for both countries. In 1984, U.S exports to Saudi Arabia were over $5.5 billion, while U.S. imports from Saudi Arabia, primarily in the form of crude petroleum, reached just over $4 billion, leaving the United States with a trade surplus with Saudi Arabia of $1.5 billion. Trade levels for the first seven months of 1985 fell somewhat over the same period in 1984, with the United States maintaining a trade surplus of almost $800 million. The U.S. Commerce Department estimates that approximately 24,000 jobs are created or sustained in the United States for every billion dollars worth of U.S. exports. It is estimated that U.S. trade with Saudi Arabia is responsible for as many as 132,000 domestic U.S. jobs, while thousands of other Americans live and work in Saudi Arabia itself.

IV. Potential Threats to Saudi Arabia

The geography of Saudi Arabia, including vast expanses of desert and highly vulnerable oil installations and urban population centers, and the instability in the strategic Gulf region require Saudi Arabia to maintain a strong and effective air-defense system that can help deter threats to the Kingdom. Potential threats to Saudi Arabia come from several sources.

Soviet designs on the Middle East and the oil regions of the Gulf are perceived as a significant danger in Saudi Arabia. The Kingdom has been particularly concerned about the Soviet invasion and occupation of Afghanistan and the increase of Soviet influence and military strength in both the Horn of Africa and the southwestern reaches of the Arabian Peninsula.

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The situation in the Gulf has also been adversely affected by the continuing instability of Iran and the war between Iran and Iraq. The Iran-Iraq war, which broke out in 1980, remains a serious threat to Saudi Arabia and the other countries of the Gulf. The presence of Iranian troops on Iraqi soil near the Kuwaiti border underscores and heightens this threat. Another danger comes from the so-called "tanker war," which has exposed oil shipping in the Gulf to air attacks. This threat reached its height in June 1984, when Saudi Arabia was forced to shoot down at least one Iranian plane that was intruding on its air space. The confrontation may have discouraged Iran at the time from attempting to widen the war.

Israel also poses a potential threat to the security of Saudi Arabia. Israeli opposition in 1978 and 1981 to U.S. arms sales that had been proposed by the Carter and Reagan administrations were unmistakable signs of Israeli hostility to Saudi Arabia. The Israeli strike on a nuclear reactor in Baghdad in 1981 and the violation of Saudi airspace by Israeli jets in that mission reinforced Saudi concerns about Israeli intentions in the region. More recently, an Israeli air attack on PLO offices in Tunisia underscored the fact that Israel will not hesitate to attack any Arab country it chooses -- even if the result will be to set back the prospects for Middle East peace.

V. American Interests: Saudi Arabia's Important Role

The sale of air-defense equipment to Saudi Arabia strengthens American national interests by demonstrating that the United States is sympathetic to the legitimate defense needs of a major Arab friend in the Middle East, that it is committed to the security of Saudi Arabia and the strategic Gulf region, and that it prefers, like the countries of the Gulf, to have forces from the region equipped to handle most emergencies.

A number of major American interests in the Gulf, the Middle East, and the world come together in the proposed sale to Saudi Arabia:

A. Oil Supply Vulnerability

It is in the interests of the United States to strengthen Saudi Arabia's ability to defend its vulnerable oil fields from any potential attacks. Uninterrupted access to Saudi oil is vital to the economies of Europe, Japan, and the United States itself. The cessation of oil exports from Iran and Iraq following the outbreak of the Iran-Iraq war quickly demonstrated the fragility of oil supply lines from he Gulf region and caused spot oil prices to soar. Disruption or cessation of oil supplies from the Gulf for an extended period would lead to unprecedented strains on the economies of the West and would leave the United States and its allies extremely vulnerable to their enemies.

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B. Soviet Aggression

Since the Soviet invasion of Afghanistan in December 1979, the United States has become particularly aware of the need to counteract the potential threat that the Soviet Union could pose to the flow of oil through the Strait of Hormuz. This threat will become even more pronounced when the Soviet Union becomes a net importer of petroleum and thereby a competitor for scarce supplies from the Gulf.

The sale of air-defense equipment to Saudi Arabia would add to the Kingdom's ability to defend against potential Soviet threats to the oil jugular of the West. While Saudi Arabia could not repel a full Soviet attack on its own, strengthened Saudi air-defense capabilities would greatly add to efforts to counteract the projection of Soviet military power into the Gulf and the Indian Ocean. In case of full-scale Soviet aggression, according to a study by the Reagan Administration, Saudi Arabia has told the United States that it will allow American forces to use its military bases.

C. Gulf Stability

The war between Iran and Iraq has underscored the need for Saudi Arabia to maintain a strong and capable air-defense system in order to prevent hostilities from spreading. The United States cannot deploy its military forces so as to be able at all times to provide emergency protection to Saudi oil installations. Saudi Arabia must be able to meet most emergency situations on its own -- and it is in the interests of the United States to provide the Kingdom with the means to do so.

D. Economic Interests

The sale of air defense equipment to Saudi Arabia will also provide economic benefits to the United States. Saudi Arabia pays for its defense purchases; it does not rely on U.S. aid. Sale of military equipment to Saudi Arabia strengthens our economy and our defense industries. It creates jobs in the United States and helps the U.S. balance of payments. It stimulates research and development funds that will be used to increase American technological capabilities and it will reduce the cost of building the military equipment for the U.S. armed forces through economies of scale.

Failure to meet the urgent legitimate defense needs of Saudi Arabia will mean that the Kingdom will turn to Europe or elsewhere to obtain the required hardware. In September 1985, Saudi Arabia and Great Britain signed a $4.5 billion arms deal in which Saudi Arabia purchased 72 Tornado combat jets and other military equipment from Britain. The British sale will give an impetus to foreign aircraft industries that are in direct competition with U.S. companies.

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It was continued congressional opposition to selling American fighter planes to Saudi Arabia that caused the Saudis to turn to Britain for combat aircraft -- and cost the United States the loss of a $3-4 billion arms sale that was being considered by the Reagan Administration. The loss of the sale could affect as many as 72,000 to 96,000 American jobs.

VI. The Israel Factor

The bilateral defense relationship between the United States and Saudi Arabia should be based on fundamental U.S. interests and on the legitimate defense needs of Saudi Arabia. Critics of arms sales to Saudi Arabia inaccurately portray such sales as a threat to Israel. The American commitment to Israel and its security, however, must not be abused and allowed to thwart other American interests in the Middle East or jeopardize American relations with its friends in the Arab world.

Any sale of military equipment to Saudi Arabia must be judged solely on its own merits and on the national interests of the United States. It must not be affected by an "Israeli veto." An Israel which seeks peace can only benefit from closer ties between the United States and the moderate Arab governments in the region.

A close relationship between the United States is not a threat to any other country. Saudi Arabia has no intention of attacking any of its neighbors. The Saudis can see for themselves the havoc which Israeli attacks on other Arab states, including Tunisia, Lebanon, and Iraq, have caused. It would make no sense for Saudi Arabia, with its thinly stretched air-defense systems, to expose its vulnerable oil installations and population centers to attack by initiating military action against any other country.

VII. Conclusion

The United States has a primary obligation to promote its national interests in the Middle East. In doing so, it must take into account the legitimate security concerns of major regional actors, particularly governments friendly to the United States. In deciding to sell military equipment to Saudi Arabia, the Reagan Administration has factored in all pertinent political and security data. It has concluded that the military equipment it is proposing to sell to Saudi Arabia will further U.S. interests in the region by meeting the security needs and defensive requirements of the Kingdom without posing a threat to any other nation. The Reagan Administration's decision should be approved by Congress.

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